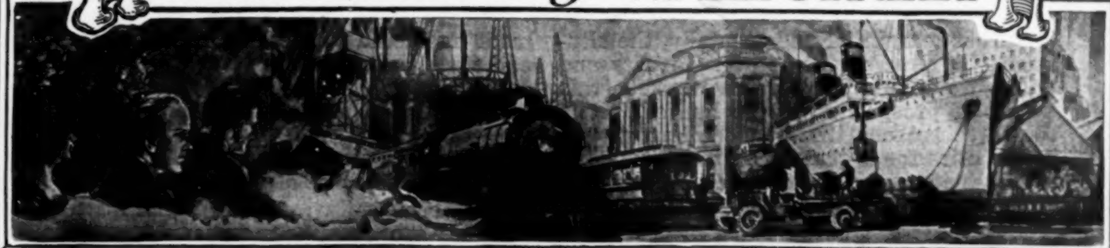
The MAGAZINE of WALL STREET



BANKING EDITOR
H. PARKER WILLIS

EDITOR
RICHARD D. WYCKOFF

MANAGING EDITOR
E. D. KING

INVESTMENT & BUSINESS TREND

Reducing Interest on the Railroad Debt—Increased Dividends — Tariff No Barrier — Commodity Price Outlook—Playing the Game—The Market Prospect

THE demand of several railroad executives that the Government reduce the rate of interest on sums loaned the carriers during the war and still outstanding is entirely justified, though likely to create a turmoil in Congress. It will be recalled that as a result of Government war financing, the roads were unable to secure funds advantageously in the open market and were compelled to resort to the Treasury. These funds were later funded at the rate of 6% and interest on these debts is now being paid at this rate by the railroads.

When the railroads were returned to their owners, they were saddled with huge debts incurred during the war and for which the Government itself, through its visionary Railroad Administration, was responsible. The railroads did not create the conditions which ended by placing them in debt to the Government. In fact, the extravagance and inefficiency with which the roads were operated during the war placed many of them in a position from which they have not yet recovered. In the meantime, they continue to pay interest on their obligations to the Treasury.

The stronger roads have been able to shake off at least in part the adverse influence of Government operation; they have restored their credit and are able to borrow at favorable terms. Not so with the weaker roads. It would seem that the least the Government can do is to reduce the rate of interest on war-created railroad loans. This may not be a legal obligation but it would be justified under the circumstances.

LARGER DIVIDENDS

SINCE the beginning of the year, there have been a number of increased dividends. This is not only due to prosperous conditions in 1924 in individual cases but to the expectation of continued favorable conditions during the coming year. These periods of dividend restorations and increases coincide with improved business conditions. Since the business outlook is favorable it is reasonable to expect a considerable increase in the amount of dividends paid this year. This should be a good year for stockholders from a dividend viewpoint.

COMMODITY PRICES

DURING the past few months, there has been a distinct tendency toward an advance in general prices. The forerunner of this advance came in the grains which are still headed upward. Later on, this influence was reflected in the price of basic materials such as iron, steel, copper, lead, zinc, oil, wool, silk and leather. The situation is now affecting manufactured articles. Probably, later there will be somewhat of an increase in retail prices.

For the time being, these advances in price signify that a basis for increased earnings has been created. At the same time, it is not wise to ignore the fact that costs of operation must necessarily increase during such a period. Efficiency of management and large-scale production will tend to hold down costs but inevitably the time must come when further price advances will affect the general capacity to buy, and the influence of high operating costs will tend to cut into

the profit margin. Fundamentally, the situation still remains one of over-capacity and unless we extend our foreign markets, this period of prosperity will be limited. It is for these reasons that it is difficult to see possibilities for a general boom in business, although improvement during the next few months is practically certain.

THE TARIFF BARRIER

THE increase in French exports to this country, principally in articles on which there is a high tariff, would not seem to signify that our tariff walls are effective in regard to holding down imports of foreign goods. French trade with the United States has steadily increased during the past three years, a period in which the McCumber-Fordney tariff has been in operation.

It would seem that revision of our ideas on how the tariff works would be in order. Incidentally, it is another argument for those who see possibilities for extensive foreign competition with this country right in its home markets.

MONEY SITUATION

FIRMNESS in the call money market since the beginning of the year and no sign of recession in time money or commercial paper rates mark the situation. To be sure, average rates of 3½ to 4% indicate no basis for stringency in the money market. In fact, the latest Federal Reserve statements show that demand for commercial funds has not yet made its appearance on a large scale. On the other hand, there is a fair increase in loans secured by corporate bonds and stocks.

The rediscount rate of 3½% in New York remains unchanged though there have been fears of an increase. Up to date there has been no necessity for an increase in rediscount rate but with tangible signs of increase in business activity, laying foundations for eventually increased commercial demand for funds, it is inevitable that rates of interest will be raised and the rediscount rate along with them. Prophets of easy money throughout the year are likely to be disappointed.

PLAYING THE GAME

THOUGH statistics on the subject are unavailable, our experience during the past few years indicates that investors generally have increased their store of knowledge of investment methods. Activities of Government and state authorities, reputable financial organizations and periodicals, all contrive to increase the scope of investment education with the result that it has become more and more difficult for promoters of fraudulent securities to dispose of their wares.

Furthermore, investors of even a little experience are showing more and more discrimination in the purchase of listed securities, not all of which by any means are sound. Analysis of transactions in the stock market shows that trading has been on a far greater scale proportionately in representative issues than those commonly designated as "cats-and-dogs" although the latter have by no means been neglected. Probably, these low-priced securities are engaging the attention of newcomers to the investment field.

It takes some time to learn that it pays only to buy securities of proven record with sound prospects. The investor should always remember that it is not luck but knowledge and experience which wins out in the long run. Following this policy would be really "playing the game" according to the rules. No way has yet been devised which will beat it.

MARKET PROSPECT

CURRENT business data indicates that the upward trend continues. Irregularities such as in the petroleum, metal, textile and farm implement industries, are slowly being ironed out. The effect is to raise the general level of business activity. It is not to be inferred, however, that business is of boom dimensions. Nothing of the sort can be claimed.

A great many stocks have more than anticipated the rise in profits though, to be sure, as in the metal and oil divisions, there are still a number of issues which will probably advance as conditions in these industries continue to improve. The latter, however, are in the minority. The present situation is one which palpably requires the utmost caution in dealings in speculative issues which have already had great advances. Public buying of odd lots is the heaviest in the history of the Street. This is not a bullish indication. Numerous other signs lead us to believe that this is an excellent time to take profits on a number of issues that have apparently discounted all the favorable possibilities. It is worth while remembering that the 25 industrial stock average at 137 is practically at the highest point in history, reached only once before in the inflationary market of 1919.

Monday, January 26, 1925.

Every Business Man and Investor Should Read This Article

Cold Facts About Our Farm Prosperity

Dispassionate Inquiry Reveals Much to Be Wished for, Except in Wheat-Growing States —And Even There, Fate Holds the Balance

By OSCAR E. BRADFUTE

We are indebted to Mr. Bradfute for one of the first clear-minded and factual expositions of the American farm situation to be published since talk of a "farm come-back" grew to be the fashion last year. . . . . The qualities of his judgment and his opportunities of observation may be appraised from his position as president of the American Farm Bureau Federation and his membership in the President's Committee for Agricultural Inquiry.

Mr. Bradfute's statement was obtained for the Magazine by Theodore M. Knappen.

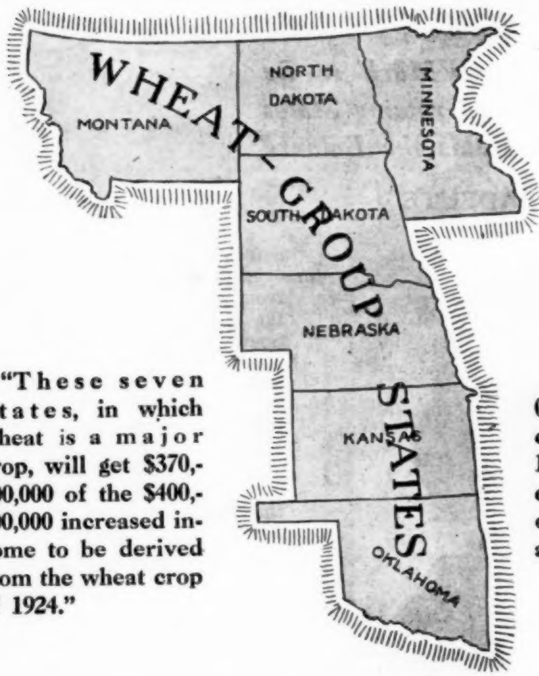
PROVIDENCE or chance threw a life-buoy to American wheat farmers in 1924 just as they were sinking for the third time in an ocean of misfortune and debts. The buoy was truly buoyant and consisted of that rate and lucrative coincidence of good yields, large crops and high prices. While all the wheat world, with the possible exception of Australia, was having short crops—not excepting the bountiful prairies of Western Canada—the United States enjoyed the heaviest yields in years—actually attaining to the average of the new land of Canada on a 54,000,000 acreage, including fields that have been producing wheat for more than a hundred years.

Now the states in which wheat is a great crop were just the ones that had been hit the hardest by those agonized years of deflation beginning in the latter part of 1920. Bad weather, poor crops, low prices, deflation, post-bellum readjustment, crushing taxation and the explosion of the land boom—all hit the wheat states simultaneously. Farms were deserted, there was an exodus to the cities and the whole wheat belt was overlaid with foreclosed or over-due mortgages. Suddenly, along in June, with more misery forecast by a low government crop estimate for wheat, prices began to go up. And, miracle of miracles, as prices went up so also went the American crop prospects. The end of the year found the farmers with 200,000,000 more bushels of wheat than they thought they would have in June, with the price about 50 cents higher.

Their 873,000,000 bushels of 1924 wheat will net them (according to estimates that should be received with some reserve) $400,000,000 more than their 797,000,000 bushels of 1923. Like a drenching rain to a drought-stricken land is the fact that the wheat-group states—meaning those mid-continent states in which wheat is a major crop —although they have only a little over half of the nation's whole wheat acreage—will get all but $30,000,000 of the increased income from wheat. In other words, the seven states of Minnesota, South Dakota, Oklahoma, Nebraska, Montana, North Dakota and Kansas are dividing $370,000,000 of additional wheat money, as compared with 1923. Going at it from another angle these seven states on their wheat only, took up more than half the entire cash gain of American agriculture in 1924 over 1923.

But the luck of the wheat belt didn't stop with its wheat. It garnered an excess $100,000,000 from its corn, compared with 1923; about $75,000,000 more from its oats and broke even on the sum of rye, barley and other field crops. So, the seven states that were the 'poor relations' of 1923 split 75 per cent of the nation's 1924 field crop gain among them. And there is more to come in this tale of the farmers who disregarded all high-brow advice from Washington and Wall Street and plunged once more on wheat; for the Goddess of Fortune still further rewarded their audacity with a gain of $130,000,000 or thereabouts in the value of their live-stock products. The long and short of it is that the statisticians calculate that the wheat region has 35 per cent larger income this year than last from its combined agricultural activites. This figures out an increased total income of 10 per cent for the entire population of that region. The figures may be exaggerated. Knowing, as a dirt farmer myself, how easy it is for a statistician with a good adding machine to create an illusory farm property, I view them with some incredulity.

THE ONE BRIGHT SPOT IN AMERICA'S AGRICULTURAL COMMUNITY



"These seven States, in which wheat is a major crop, will get $370,000,000 of the $400,000,000 increased income to be derived from the wheat crop of 1924."

"They have $557,000,000 of the gross crop income gain in 1924 for the whole country, and a gain of $137,000,000 in animal products."

"About 75% of the money-advance of all American agriculture goes to these 7 states."

Most of this gain is luck, just bull luck, but a part of it is due to conscious effort. Almost at the beginning of the crop year, the grain farmers launched their great terminal co-operative marketing enterprise — the Grain Marketing Company. Most of the economists who are writing about the agricultural situation seem to be unaware of the magnitude of this organization and utterly ignorant of what it has done. It has handled the lion's share of all the grain that has come to the terminal markets and its operations have reflected benefit on every bushel of the wheat crop.

You ask, why? Simply because this powerful organization, provided with vast facilities, directed in the farmer's interest but commercially managed by the shrewdest merchants in the grain business, achieved wonderful success in forwarding the avalanche of grain the money-thirsty wheat farmers threw on the market, without congestion and blockades. When the Gulf Ports were on the verge of congestion it succeeded in getting the U. S. Shipping Board to rush a fleet of 35 vessels to the aid of the farmers. The grain was not allowed to dam itself into a slackwater of low prices. It was forwarded, often in a single merchandising and transportation process from the farmer's elevator to the warehouse of the European buyer. Not a bushel of the hundreds of millions of grain this company is handling was available for speculative market depression.

Now that we have found out what farmers and what region of the country are getting the new money out of agricultural industry in 1924, we can understand the business situation of the United States as affected by agriculture. Broadly speaking, it is only the Mississippi Valley wheat belt that has more money this year than last. Cotton is a much larger crop this year than last but with lower prices the farmers will probably not get any more money, though the marketing of a big crop will be beneficial to various mercantile, manufacturing and transportation agencies, and will maintain prosperity in the South. Some parts of the South are undoubtedly much better off than in 1923. The well-known boll-weevil to the contrary notwithstanding, we have one of the largest cotton crops in our history—more than 13,000,000 bales but the price is down more than ten cents a pound from the 1923 high.

Corn, the mammoth and typical crop of America, met with an unprecedented reversal and fell off 600,000,000 bushels from 1923. Less than half the crop matured and much of that is light and chaffy. The failure of the corn crop kicks back on the livestock industry. Corn farmers haven't or can't afford the corn—high-priced for what there is—to fill their feed-lots, and so the range cattlemen have a restricted market for their beef animals just when the statistical situation promised pronounced betterment, and the feeders have little finished product to sell. Coming on top of four years of depression for the western stockmen this is nothing less than a calamity. On the other hand, the hog market has held up wonderfully well under a deluge of selling, due to the shortage of the corn crop. But present prosperity for the pork industry will be paid for throughout 1925. In fact, this year's corn crop disaster will affect meat supplies and prices for two years to come. The former will decrease and the latter advance. The ranges get much satisfaction from wool and mutton, both of which are happily situated both as to supplies and prices.

The dairy industry has had a most discouraging year. Nothing but black gloom is reflected in the letters I get from dairy farmers. Here is where our agricultural prophets are discredited again, for the dairyman, who has been held up as the model farm boy for the bad little boys of the wheat country has had a terrible economical trouncing while the wheat boys have found a gold mine.

The tobacco, hay, fruit, potato and other vegetable crops taken together did not realize any more than, if as much as, last year.

Now when you say cattle are in a bad position commercially you hand a rather general agricultural black-eye to the mountain and plains states—not forgetting some bright wool and sheep spots. When you say fruits and vegetables have not prospered you wipe California and Florida and the fruit regions generally off the slate. When you consider the corn situation and its effects on cattle and hogs you put a wet blanket on the whole middle Mississippi Valley section from Ohio to Iowa and south to Arkansas. The cotton situation forbids any general commercial advance to the southern farmers. When you consider the pessimism in dairy regions you deny any

commercial tonic to the eastern and northeastern states from agriculture. To be sure, the farm population, as a whole is somewhat better off than in 1922, but that wasn't much of a year for farmers, either. In the words of the Department of Agriculture, 'Most farmers are still hanging on by the skin of their teeth, paying their debts as they can.'

When it comes to increased buying power among the farmers, it is plainly confined mostly to the wheat belt. However, that is no small matter. Do you realize that the seven wheat-belt states contain over a third of the cultivated land of the United States, and a fifth of the railway mileage, and produce about one-quarter in value of the total of all our crops? They contain only 9 per cent of the population, but more than 60 per cent of that nine live on farms. About 5,000,000 farm population in the wheat belt will —if the figures don't lie, as they so often do—receive close to $2,700,000,000, from all their 1925 products as against $2,000,000,000 in 1923—or $140 more per capita.

Stimulation of Wheat Industry

The results are already in evidence in the stimulation of business in the wheat country and in dependent lines elsewhere. Minneapolis had the largest bank clearings in its history in 1924. Agricultural steel orders have increased 70%. All the big northwestern and southwestern railroads increased their earnings in the latter part of 1924. In fact, the wheat miracle has resuscitated the Northern Pacific, Great Northern, Burlington and C., M. & St. Paul. The Agricultural Credit Corporation, formed to relieve the distressed farmers of the northern wheat states, is already winding up its affairs—its cause of being gone. The great Chicago mail-order houses registered an increase of about 30 per cent last month over December, 1923. Bradstreet's reports that farmers' settlements with local merchants in the spring wheat territory led to active wholesale buying at the end of the year 'and in great sums flowing into the city banks which in turn retired rediscount in the Federal Reserve Bank and still had unprecedented amounts of cash on hand.'

The come-back of the wheat country is psychologically and potentially even more important than actually. Its energy and enterprise are restored. It has received a tonic that will brace it up. It was the blackest spot on the agricultural map of America. It is now the brightest. Every industry and every trade that is fed by that section will be better off in 1925. Agricultural implements will be purchased in large quantities and there will be a great demand for lumber, the common building material of that section. The wheat country has long considered automobiles and tractors indispensable, and the buying of them doubtless will expand. All reports indicate, however, that the farmers are prudent in their come-back and that after liquidating all or a part of their debts, their purchases are confined to absolute necessaries. Many can buy no more than last year, but their creditors in the villages and city will doubtless spend more freely. The discharge of debts will accelerate business, even though the actual privations and hardships of the farmers be as great as ever—which I fear will be too often the case.

HOW OTHER-THAN-WHEAT FARMERS FARED

COTTON:—

"The well-known boll-weevil to the contrary notwithstanding, we have one of the largest cotton crops in our history and the price is down more than 10c. a pound from the 1923 high!"

CORN:—

"The mammoth and typical crop of America met with an unprecedented reversal and fell off 600,000,000 bushels from 1923. Less than half the crop matured, and much of that is light and chaffy."

RANGE CATTLE:—

"Corn farmers haven't or can't afford the corn to fill their feed-lots, and so the range cattlemen have a restricted market for their beef animals."

DAIRY INDUSTRY:—

"The dairy industry has had a most discouraging year."

TOBACCO, ETC.:—

"Tobacco, hay, fruit, potato and other vegetable crops, taken together, did not realize any more than, if as much as, last year."

The Prospect for Agriculture

To sum up: The much vaunted agricultural prosperity of 1924 is mainly a monopoly of the central wheat states. But there a touch of good times was supremely needed. Their increased purchasing power will be felt by everybody everywhere who is involved in the production and merchandising of what they need and by all interested in the railways, banks, mortgage loans and commerce of that country. But it would be a sad mistake to infer that the wheat country is suddenly become a land of easy money. One anxiously wonders what about next year. Again wheat has the answer.

As for the country as a whole, the agricultural position slowly tends to betterment. Since 1915 our agricultural production had decreased per capita of our population. The purchasing power of the farmer's dollar is approaching normal, and we are gradually drawing to the end of our bitter siege of readjustment. The long swing from now on will favor the farmer, but I am one of those who believe that agriculture presents problems than be solved partly by national thought-taking, instead of leaving everything to chance, weather and the blind welter of undirected economic forces. We should all say of agriculture's débâcle in 1920-21: It shall not be again!

Private Talks with Big Men—1

How a Great Banker Feels Toward His Riches

His Views on the Capital-Labor Problem Revealed

In recent months, the managing editor of THE MAGAZINE OF WALL STREET, Mr. E. D. King, *has visited and talked at length with many of the most prominent men in the world of finance and industry.*

Securing from the great majority of them, by consenting NOT TO identify when quoting them, a series of "Private Talks" which, in obvious sincerity, frankness and originality of thought will be found distinctly refreshing and informative to all our readers.

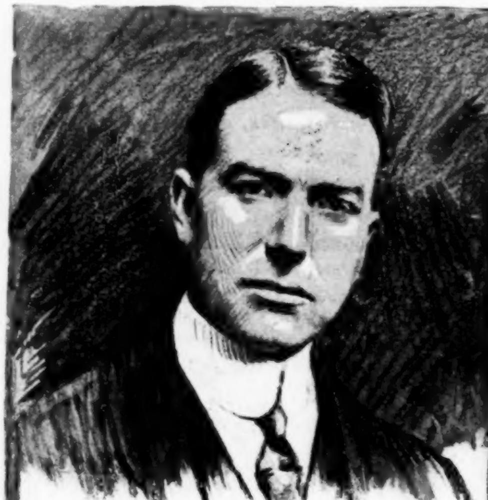
The first article in the series—based on an hour's talk with one of Wall Street's leading bankers and one of the wealthiest men in the world—appears below. Other "Private Talks" will appear from time to time in later numbers.

The whole series may be confidently recommended to all readers of the magazine, and especially to those desiring to share the privilege of hearing big men say what they really think in the only place they will say it—in private!

CUTTING the usual preliminaries short, the great banker said: "Your question on what the attitude of capital and labor should be toward each other cannot be answered offhand. I take it you want my personal views on the matter and shall give them to you but you are to understand that they do not necessarily represent the actual views of capital and labor.

"In the first place, I concede the great influence and importance of capital on our development but believe it overrated. I am what I suppose you would consider a rich man. Frankly, I do not suppose that I actually earned more than 15 or 20% of what I have and this is true of most wealthy men. I made my way honestly, according to our standards. But I laid the groundwork many years ago. That is when I really earned what I made. I worked very hard, much harder than I do now. What has come to me in the past ten or fifteen years merely represents the accumulation of capital with which, in reality, I did not have much to do. It was earned for me. Of course, the utilization of my capital gave employment to thousands of men and women. Without my capital and that of other men in a similar position, I suppose those whom we employed would have had a hard time. Yet, it was essentially their work which continued to pile up my money. This vast sum has oppressed me. I have wanted to restore to society what I consider its own and so I have given hundreds of thousands to my pet philanthropies, just as others have done.

"I suppose the average poor man regards the very rich man as a sort of ogre, without feeling or social sympathy. But this is not true. Great wealth in itself does not bring happiness. Some of the wealthy men and women with whom I am acquainted feel depressed at the thought of their riches and constantly strive to give it away for worthy purposes.



JOHN D. ROCKEFELLER

who is doing at least as much as any other capitalist to persuade employers to the thought that their welfare depends on recognizing the rights of labor to decent wages and working conditions.

"This is working out in other ways, too. For example, there is a growing tendency on the part of large employers to share profits with their employees, to raise their wages, reduce their working hours and make things easier for them. I do not believe that this is because these rich employers are afraid of labor but because they are sincerely sympathetic to its aims, and are willing and ready to aid it. I am glad to see that in some instances important corporations are beginning to place a representative of their employees on their Board of Directors. There should be more of it.

"In fact, times have changed and the attitude of capital toward labor has changed along with it in the past generation. There is a growing feeling among the rich that there are other and perhaps more important things in life than the accumula-

tion of wealth. They are not only willing but anxious that labor take a more influential part in industrial management. I have talked with well known industrial leaders and bankers who are far more liberal in their attitude toward these questions than most people think.

"Perhaps there is a sort of reaction starting in America against the creation and accumulation of immense fortunes. Americans are commencing to turn to some idealistic attitudes such as the desire to appreciate science, philosophy, art, literature, music and the "humanities" in general. I suppose this is an inevitable result of our civilization but it is worth while, noting that it is the extremely rich men who are devoting their money and services toward the creation of a better appreciation in America of the value of education and art. They are sincere in doing this for the public welfare. We hear frequently nowadays of this rich man or that giving millions away for the founding and development of universities, schools of one sort or another, musical foundations, hospitals, research laboratories, philanthropies of a thousand and one different sorts.

"I believe viewing the situation broadly, these are not merely isolated instances of princely benefactions but part of a general picture of an increased social consciousness among the rich. In a way, I feel that many of our rich men and women have a better understanding of the needs of the masses than some of their so-called leaders. Some of the latter would tear down the entire economic structure. For what purposes? So that millions starve and end their days in misery as in Russia?

"Many of our rich would in part be sympathetic to the Soviet ideal if it worked. But the hard common sense of our business leaders, which is the result of their years of bitter experience and incessant work, tells them that Russia is on the wrong track. They do not oppose the Soviet theory because of any fear that its application in this country might take away their wealth. As I have tried to show they would be glad to get rid of a good part of their wealth without this stimulus. But they do oppose the Russian experiment because it is a failure and was bound to be a failure and because this brought misery on millions of human beings.

"I am more familiar perhaps with the ideas of the financially successful on the labor problem and so more qualified to speak than on labor's attitude. But what I have seen convinces me that what labor needs most — and is getting—is a sense of the futility of making rapid changes in the economic structure. The last election proved, as a matter of fact, that the rank and file of labor is essentially conservative in this country. Quick changes in our fundamental being are harmful, especially to those whom they were intended to benefit most. I cannot emphasize this too strongly.

"Slow changes will inevitably bring about greater power for labor and an increased share of the earnings to which it is entitled. Here and there, of course, some poor man, after years of effort, will reach the top of the financial ladder but the masses, ostensibly, must content themselves with much less. It is not pleasant for me to preach the doctrine of resignation to the masses but it is best to be practical about these matters. Equal distribution of wealth means nothing. The strong, alert and powerful mentality will always secure a greater share of material rewards than his less aggressive neighbor. The masses are not aggressive, or they would not be the masses. Were they to become aggressive in demanding their rights, as in Russia, there would be only misery and hardship.

"The sober truth of the matter is that there is not nearly enough wealth to go around and that the many will continue to do without what they would like to have, while the few prosper. Fortunately, in this country, at least there is a well-developed consciousness among industrial leaders that labor is entitled to its full share and that as the years go on there is no reason why the huge wealth of this country should not be so distributed that the many will have more of the comforts than they have at present. So, while I believe the masses should be resigned to the impossibility of their becoming Rockefellers, or Vanderbilts, there is no reason why they should not look forward to the future with confidence in their prospects for well-being.

America is known abroad in certain circles as reactionary in its labor attitude. I do not share this view. In fact, I sometimes feel that we are the most advanced nation on earth in this respect. Opportunities here are available for the individual on a scale that is impossible abroad. Our masses, on the whole, are well fed, decently clothed and shod, and physically well off. They do not live in palaces, to be sure, but except in the slum districts of our large cities, they have satisfactory habitations. Their children go to school; many of them have little cars for the use

(*Please turn to page* 612)

The Late
SAMUEL GOMPERS
who did more than any other labor leader to persuade the working classes of this country that their welfare depends on cooperating with rather than fighting against their employers.

Financing the Bull Market

Why Brokers' Borrowing Have Not Unduly Advanced Interest Rates—Borrowings Still Below the 1923 Peak —Practice of Carrying Securities Through Banks

By BARNARD POWERS

BANKS are the backbone of Wall Street. Without the banks there would be no Wall Street, or at least no Wall Street such as we know it at present. For the banks supply the necessary lubricant—money—without which the Wall Street mechanism would creak, slow down and finally stop.

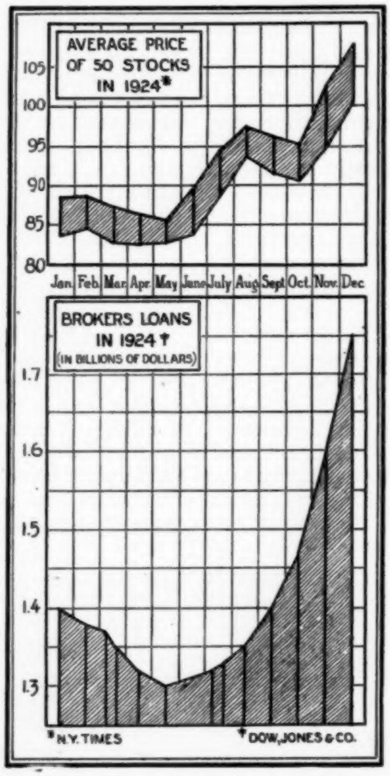
In times past, the Wall Street machinery has come perilously close to stopping. That was in the pre-Federal Reserve days. Such times were known as panics. One of the most recent and one of the most severe was the famous panic of 1907 when the money-lubricant became as turgid as the motor oil in an automobile on a sub-zero day. Everyone was hoarding cash, big institutions as well as little investors. It was a time of fear. "Who will go next?" was the query most repeated in the financial district.

Many institutions escaped the ignominy of closing their doors by taking hours to pay a single check. Long lines of messenger boys and anxious depositors waited, even for days, in front of various cashiers' windows. Wall Street remembers that time as one remembers a blood-curdling nightmare. In those days, banks were individual institutions. They were not banded together with common connections and resources through the Federal Reserve Bank as at present, and consequently could not present a combined and united front to the panic. It is believed that a panic similar to that of 1907, which shook the financial world to its utmost foundations, cannot be repeated under existent banking conditions.

Brokers' Borrowings

Few brokerage houses are wealthy enough to finance their business without recourse to the banks. Some of the larger houses are bank borrowers on Stock Exchange collateral to the extent of $15,000,000 or even $20,000,000. Loans reach such totals only in active markets, of course.

When a customer buys 100 Steel common at say 120, what happens is this: The broker buys the stock which costs $12,000. Deducting the customer's margin of, say, 10% of the purchase price and there is due on the stock $10,800. Banks usually loan about 80 per cent on first class listed collateral, so that the broker is able to borrow $9,600 from his bank. The balance of $1,200 is made up from the firm's capital and resources.



Obviously, if one were able to know accurately the total of brokers' loans from the various banks one would be able to obtain a very fair idea of the degree of public participation in the market. There are no official figures of brokers' loans from banks. The Federal Reserve Board reports the aggregate loans on stocks and bonds by the 67 local member banks and 738 principal member banks throughout the country, but such figures are of little value in attempting to determine the public's trading position.

Estimated Brokers' Loans

1924	*Loans*
Jan. 29	$1,400,000,000
Feb. 20	1,380,000,000
March 6	1,375,000,000
March 21	1,350,000,000
April 16	1,320,000,000
May 19	1,300,000,000
July 14	1,325,000,000
July 29	1,330,000,000
Aug. 18	1,350,000,000
Sept. 22	1,400,000,000
Oct. 7	1,475,000,000
Nov. 10	1,600,000,000
Dec. 31	1,750,000,000

Interesting estimates, however, are published from time to time by Dow, Jones & Co., giving the totals of brokers' trading loans at different periods of time. We quote herewith from recent figures.

If the figures herewith were plotted in a curve it would be found that that curve would bear a distinct relationship to the curve of stock prices. For instance, the first five months of last year embraced a period of declining security prices and trading loans went down from $1,400,000,000 on January 29 to $1,300,000,000 on May 19. About the first of June the market resumed its upward movement in a gradual and orderly fashion. Note the gradual increase in loans after May. The upward movement became precipitate after the Election and, as might be expected, the increase in brokers' borrowings rose sharply in that period.

Owing to the great plethora of funds available the financing of the 1924-25 bull market has been a comparatively easy matter and has resulted in no abnormal advance in interest rates. It is figured that brokers' loans at the present time are still about $200,000,000 below the former peak of $2,000,000,000 touched in February, 1923. The ease with which the banks handled one of the greatest bull markets, if not the greatest bull market of all time, is evidenced from the fact that at no time during last year did call money touch the 6% level. Throughout the year money rates ranged around 3% and 4%.

Brokers' borrowings are not nearly as indicative of public participation in the market as a few years ago for the reason that many investors and traders have their banks carry their securities instead of brokers. The many brokerage failures and hostile publicity has had its effect in shaking the confidence of the public in Wall Street, and doubtless it will take a long time before those fears are allayed. As a matter of fact, Wall Street is now a safer place to do business than ever before in its history. So many and so easily available are the sources of information that the individual who does business with a firm of uncertain reputation has only himself to blame if the results are not satisfactory.

Africa's Copper Treasure-House

Kantanga Copper Mines Have Developed Ore Reserves of Nearly Eleven Billion Pounds of Copper

THE world's greatest copper mines are situated in the heart of South central Africa. They are located in what is commonly called the Kantanga concessions, or, to give the company its full title, the Union Miniere Du Haut-Kantanga. This is an association of English and Belgian capitalists.

In 1922, this company produced approximately 97,000,000 lbs. of copper. In 1923, production totaled approximately 130,000,000 lbs. and it is expected that 1924 will show an output of 168,000,000 lbs. of the red metal. The accompanying table gives the company's record of production since the beginning of operations. The Kantanga copper mines have a potential productive capacity of 1,000 tons a day. This is more than one-third of the world's present copper output or in terms of poundage about 785,000,000 lbs. of copper annually.

Fortunately for the copper market, increases in Kantanga's production are gradual as seen by the accompanying table, otherwise a great flood of copper would demoralize the existing markets.

That South Africa is the world's greatest treasure house seems undisputable. The story of the conception and development of the Kantanga concession would fill volumes, for it is interwoven with the history of the development of South Africa during the last half century. Briefly, it is one strand of the great dream of Cecil Rhodes' "Cape to Cairo" railway. As Harriman dreamed of a unified system extending from the Atlantic to the Pacific, so Rhodes' great dream was the construction of a railroad from Capetown, at the southern tip of Africa, to the mouth of the Nile. Rhodes realized that it would take years to develop traffic to make such a road profitable unless great mines could be developed which would supply the necessary tonnages. The diamond mines of Kimberly and the gold mines of the Rand and Rhodesia were the magnets which had drawn the steel lines of Rhodes' transcontinental system northward.

STEADY GROWTH IN COPPER OUTPUT OF KANTANGA CONCESSIONS

Year	Long tons
1911	998
1912	2,492
1913	7,407
1914	10,722
1915	14,042
1916	22,167
1917	27,462
1918	20,238
1919	23,919
1920	18,962
1921	30,464
1922	43,362
1923	57,886
1924*	36,848

* Six months.

King Leopold of Belgium employed Henry Stanley to make treaties with native chiefs in central Africa and from those treaties came Belgium's control of the Belgian Congo. Leopold granted to Rhodes the right to locate a 2,000 square mile mineral area anywhere in northern Rhodesia. Rhodes believed that on the watershed between the Congo and the Zambesi vast stores of valuable minerals existed. He was right, and hence the Kantanga concession. Rhodes lived to see his transcontinental system scarcely more than begun but the work has gone on and his great dream is now practically fulfilled.

The Kantanga copper properties are not embraced in one great mine but in a group of mines in a widely extended territory. As last reported, developed ore reserves totaled more than 72,650,000 tons with an estimated copper content of more than 4,800,000 tons, which aggregates nearly eleven billion pounds of copper.

The Kantanga concession, however, is not merely a copper development proposition. Other metals found in the grant are tin, calcium, uranium (radium), graphite, gold, iron, carbon, cobalt and manganese. Development of the company's uranium deposits has cut the price of radium in half and caused the principal radium mines in this country to shut down. In 1923 the Kantanga concession supplied two-thirds of the world's consumption of radium.

Enough has been said to indicate the tremendous scope of the company's operations and its remarkable prospects. As far as the writer knows, this company is engaged in the greatest mineral development project in the world and one which will require many years to bring it to the fullest development. It is more than probable that even the far-sighted Cecil Rhodes had no conception of the tremendous natural treasure house he had acquired when he obtained the Kantanga concession from the former king of the Belgians.

The Kantanga Mines represent probably the world's greatest mineral development project.

Investments for Everybody

How the Financial System's Growth Has Provided Media and Machinery Adapted to the Needs of All Classes

By RALPH RUSHMORE

"Let us scrutinize the investment and speculative fields of today and determine whether or not any conceivable class or kind of investor or speculator has been overlooked—whether any type of human being, man, woman or child, regardless of how much money he has available for investment and regardless of what his personal requirements may be, cannot actually find an investment medium designed to fit his needs, suitable to his purposes and capable of obtaining for him the results he has a right to demand."

THE class in cerebral stimulation will now assemble and construct the following mental picture:

Suppose:

(1) That the only strictly investment-security field open to average investors were the railroad field;

(2) Suppose, that aside from the railroad-security field, the only other large investment field in existence were the real-estate mortgage market—a market whose daily "offerings" consisted of a heterogeneous collection of mortgages backed largely by individual residence property of very doubtful value, each "offering" varying greatly in the amount of money involved, each one available only if purchased outright by the would-be investor and none available in "pieces" (bonds) such as we have today, every purchase saddling the buyer with the vexations and complications of personal collections, personal supervision, personal negotiations from, of and with the borrower, and no central authority willing to act as "go-between," guarantor or guardian;

(3) Suppose, that if you chose to invest your funds neither in railroad securities nor in real estate mortgages, you had (with the possible exception of Government bonds which, however, were so costly and yielded so small a return as to be practically negligible) to content yourself with placing your funds in a business enterprise of your own rearing—"business," whether in the form of a mercantile establishment, a "general store," a "clipper ship," or a farm—with all the defects of personal responsibility and personal limitations so likely to be encountered;

(4) Suppose, that beside these narrow limitations on the investment field, there were similar limitations upon the speculative field—such harsh limitations, indeed, as to leave practically only one speculative-security field available, and that the field of ultra-dangerous mining stocks.

(5) Suppose that industrial corporations of large size had yet to form; that industrial-company stocks were generally viewed with suspicion, that there were no chain stores, no mammoth industrial combines, no dry goods associations, no large-scale manufacturers of implements and machinery, no steel corporations, no telephone industry, no developed electrical industry, no hydro-electric industry, no large public utility enterprises, no oil industry worth speaking of, no tire industry, no milk-product industry, etc., et., etc., ad infinitum;

(6) Suppose, finally, that even the few investment media available were denominated at such figures as to place them far beyond the reach of men and women of average means; that there were no such things as "participating preferred stocks," no such things as "guaranteed railroad stocks"—

Suppose all these things, and many more like them, and you have a very depressing picture—of what? Why, a picture of the investment situation as it existed within the lifetimes of men now living—comparatively young men, at that. The investment situation, in fact, of a bare thirty-five or forty years ago!

Sweeping Changes Wrought

What a change—what an amazing change, even in this world of change—has swept over the investment field in that brief span! What a marvelous progression!

Branches of industrial activity have expanded on a scale literally undreamed of in those days just before the panic 1893, when Henry Ford, a gangling youth, had still to dream his golden dreams —

The *organization* of industry has proceeded apace, reaching almost overnight such limits as would make those old-day conditions seem almost absurd—those old days of ungoverned and ungovernable competition, of the next thing to absolute abandon in the matter of price-fixing, of "the-public-be-damned" in the matter of rates, railroad or shipping, and of similar abandon in respect to stock issues—such abandon as made it possible to market millions of dollars of pure, unadulterated water in the name of "capital stock"—

The methods and machinery whereby would-be investors and needful industry may come together have increased, not a hundredfold but a thousandfold. Where there was a dearth of investment media forty years ago, there is what amounts pretty closely to a plethora today. Where the would-be investor had, very largely, to take what he could get in those old, simple times, he can pick and choose between a host of alternatives today. Where the old-time investment was designed almost entirely to suit the purposes of the *investee* (and his bankers), nowadays it is designed very carefully and very generally to meet the requirements, preferences and capacities of the *investor.*

The Expansion of the Investment Field

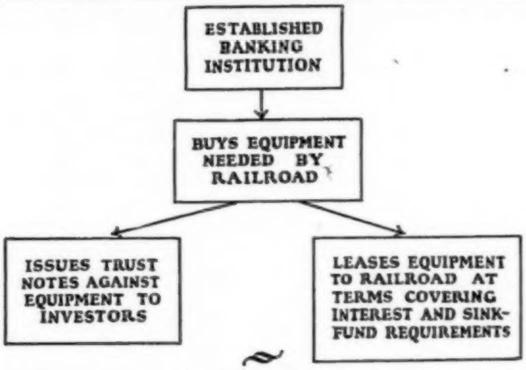
It is with the development of the investment world that we are particularly concerned here. The purpose is to show what an all-embracing world it has grown to be—how, so inclusive has been the expansion enjoyed, it has now reached a point wherefrom it caters to all classes, conditions and varieties of men—

Caters to all men, whether in respect to the degree of risk they are willing to assume, or in respect to type of security, legally speaking, most suitable to their needs and requirements; or in respect to the industry or industries which the investors may wish to participate in; which even caters to them in respect to the size and content of their individual pocketbooks, offering a breadth of choice under which it is possible to invest as little as a dollar and as much as $10,000,000 with the same degree of safety.

Broad claims, you say? Well, let us see:

Let us scrutinize the investment and speculative fields of today and determine whether or not any conceivable class or kind of investor or

What Makes an Equipment Trust Certificate Safe?



(1) At outset, equity of noteholders in equipment exceeds the face amount of notes issued.

(2) Notes are retired, during life of equipment, at a rate faster than that of the deterioration of the equipment itself.

speculator has been overlooked—whether any type of human being, man, woman or child, regardless of how much money he has available for investment, and regardless of what his personal requirements may be, cannot, actually, find an investment medium designed to fit his needs, suitable to his purpose and capable of obtaining for him the results he has a right to demand.

Would You Invest for Safety?

Would you invest primarily for safety? If so, there are at least nine broad investment classes open to you—

There is the Savings Bank, paying little interest, to be sure—but interest, you will remember, is not what you are seeking. You are seeking safety. It is unnecessary to say that the Savings Banks of the country are governed by increasingly strict laws and by increasingly alert public supervisors, both dedicated to the proposition that, in a savings bank, safety is the primary objective.

There are the insurance policies of various sorts and kinds, the basic policy being designed, of course, to provide protection for your heirs, but other policies being available (notably, the endowment and annuity forms) which constitute about as high grade a medium of money accumulation as it would be possible to conceive.

Speaking of annuities, the writer is reminded of a letter from a Building Your Future Income reader who criticised the "low" rates of return offered by annuities on the grounds that similar rates could be obtained from securities, and the principal preserved intact to be handed down to one's heirs. Said writer, of course, forgot to note that annuity income is guaranteed—that the great resources of the issuing company's pledge the continuance of that income *during the life of the annuitant*, no matter how long he may live (and annuitants have a way of reaching very ripe old ages) and regardless of what the security markets may do in the meanwhile.

There are Guaranteed Stocks—not only Guaranteed Railroad Stocks but guaranteed Public Utility stocks, and guaranteed industrial stocks as well. Of course, the mere attachment of a "guarantee" to a security is, in itself, no assurance of safety. An endorsement is no better than the endorsor, of course, and a guarantee no better than a guarantor. But there are degrees of guarantee available in the guaranteed stock field which come pretty close to a guarantee from providence itself; for example, the guarantees of the Delaware & Hudson Railroad Co., of the Pennsylvania R. R. Co., of the Western Union Telegraph Co., and so on.

There are Mortgage Bonds—Mortgage Bonds galore. In fact, there are so many mortgage bonds, and so many houses of recent vintage which have taken hold in this field, it might be said that the mortgage bond field, taken as a whole, is not a house where safety reigns as perhaps it used to be. On the other hand, the original mortgage bond houses, with proud records that stretch back over many years, are larger and stronger today, no doubt, than ever before; they have an accumulation of experience and observation to guide by which long since took them out of the trial class. With some of these houses the mere issuance of a mortgage bond under their sponsorship is an assurance of no mean proportions as to its safety. In addition, there are a number of very strong concerns which guarantee the bonds they sponsor; also there are the new-style "insured bonds," and the equally new-style "trust-guaranteed" bonds. All three of these classes add to the basic security of real estate special additional safeguards in which defects cannot be easily detected.

There are Building & Loan Associations—by the thousands; having assets of nearly three and three-quarter billions of dollars, taking the field as a whole, and a "membership" extending up into the millions—at last accounting between six and seven million persons. To be sure, as so persistently and repeatedly pointed out in these columns, the laws of some of the states under which these associations function are not so stringent as they might be; furthermore, the territories in which some of the associations are located on account of being sparsely settled are not such excellent security for the loans they make as could be desired; also, the practices of some individual associations are open to question; at the same time, the wisely-managed, carefully-controlled and well-established Building & Loan Association remains what this publication has so frequently pictured it as being: One of the safest avenues of investment open to the modern individual.

There are U. S. Government securities—long term or short term, whose security is the given troth of upwards of 115,000,000 people, acting through their representatives duly accredited and backed by the resources and civilized structure of the richest nation on earth.

There are equipment Trust Certificates, originally conceived, it is said, as a means of providing credit-broken railroads with the equipment they needed but couldn't afford to buy, but

What Makes A Guaranteed Railroad Stock Safe?

long since become an accepted method of financing equipment purchases throughout the railroad field. This security class has, of course, been frequently described in these pages. Suffice it to point out here that the safety elements which alone made these equipment trusts marketable in the beginning have lessened not at all, while their high investment rating has been upheld by experience and is reflected by the low money-rate basis upon which they may be marketed.

And, finally, there are the occasional gilt-edged Public Utility and Industrial Securities — among the former, for example, the bonds and stock of the American Telephone & Telegraph Co., whose function is that of a benevolent and legal monopoly dominating one of the most essential fields of modern times; among the latter, the "Steel Sinkers"—that is, the sinking-fund bonds of the United States Steel Corporation, representing perhaps the highest type of industrial investment offered in the market today. What was there, besides the bonds of the Union Pacific and one or two other railroads to compare with these "sinkers" in the days before the Steel Corporation was born?

Less numerous, in respect to basic groups, but gradually increasing in number—less "mature," but growing more so with each year that passes—are the means being offered of purchasing a *diversified* risk through the medium of a single certificate.

Constituent Parts of a High Grade Bankers' Share
(Hypothetical)

- 1/10th Largest Mail Order House
- 1/10th America's Telephone Industry
- 1/10th Leading Tobacco Enterprise
- 1/10th Four of Strongest Railroad Companies
- 1/10th Leading Hydro-Electric Undertaking
- 1/10th Largest Bread Baking Enterprise
- 1/10th Largest Construction Material Corporation
- 1/10th Largest Steel Combine
- 1/10th Oldest and Biggest Chain Store Ring
- 1/10th Greatest Trans-Atlantic Shipping Combine

In this group, we have first our Bankers' Shares—a development of only very recent origin, under which trustee certificates are issued against deposited collateral, the latter representing a wide selection of securities from all types of industry. Thus, here is a hypothetical offering of "bankers shares," conveying the degree of diversification that it is possible to obtain through this plan. Each "share," we will say, represents a pro-rata interest in:

The largest mail-order house,
" " telephone company,
" " oil-product enterprise,
Four of
the largest railroad companies,
The Largest hydro-electric industry,
" " bread-baking enterprise,
" " construction materials corporation,
" " steel combine,
Oldest chain-store ring,
Greatest Trans-Atlantic shipping combine.

Commitments in this particular offering of Bankers' Shares, we will suppose, may be made on a par basis of as little as $100. Manifestly, then, it is made possible for the investor with only $100 to obtain today, through such an offering as this, a degree of

(*Please turn to page* 616)

Yes Sir. We have something for everybody!

Leading Companies in New Roles

Putting Idle Plants to Work for Larger Profits—Some Interesting Examples

THE growing uses of labor-saving machinery demand a heavier outlay of invested capital in modern industry. Economy requires that such machines and plants be kept working as near capacity as may be. Taxes, interest, administration and other expenses do not stop when wheels cease to turn. On the contrary, they become a heavy burden. Where these facilities for production cannot be employed in accordance with the purpose for which they were designed, new fields may be opened to take up the slack.

In other words, other products may be added to the original line without materially increasing capital outlay. Whether old companies branch out in new lines closely or distantly related to their original plans, either by accident or intent, stockholders are involved automatically. How they will fare under the new order must depend, obviously, upon the effectiveness with which the new business is conducted.

Hence, the investor cannot be sure that his steel stock will always be a simon pure representative of that industry, or his oil shares nothing more nor less than were in the beginning. In the process of evolution, his securities become responsive to new conditions. Given competent management of the original business, however, stockholders have more to gain than lose from well advised invasions of other industries and unexpected discoveries of new revenue sources.

After the industrial collapse of 1921, a great many banks discovered that they had, unwittingly, become involved in the sugar business, the automobile industry and what not. Of course, they lost no time in appointing managers for these involuntarily adopted protégés to extract them from their dilemma. Stockholders probably never realized that they were temporary investors in something more than banking concerns in those days.

In contrast with such unexpected and undesired deviations from charted courses, many companies plunge deliberately into new waters. These voluntary ventures were dictated by numerous and sundry reasons, but all are traceable to one definite desire—to make lazy capital produce new dollars.

The exigencies of war, for example, required that new plants be erected and productive capacity of industry be expanded to meet new demands. So long as the war's abnormal appetite was extant, these enlarged facilities could be utilized to a maximum. Peacetime requirements of the country, however, have not yet reached that stage of normal growth which will absorb an equal amount of goods.

Companies Which Have Entered New Lines of Activity

Company	*Original Business*	*New Line*
Am. Bosch Magneto.....	Automobile Accessories	Mfg. Radio Accessories.
Am. La France F.Eng....	Fire-fighting Apparatus	Commercial Trucks.
Anaconda Copper Min'g..	Copper Mining	Copper and Brass Mfg.
Brunswick-Balke-Coll. ...	Billiard and Bowling Equipment	Phonographs and Radio.
Continental Motors	Automobile Engines ..	Motor Boats and Small Gasoline Power Plants.
Crucible Steel Co........	Tool, Alloy and High-grade Steels	Locomotive Repairing.
Colorado Fuel & Iron....	Coal and Iron Mining; Iron and Steel Mfg...	Oil Production.
International Paper......	Paper Manufacture ..	Public Utility.
Mack Trucks	Commercial Truck Manufacturing	Mfg. Motor Buses.
Reynolds Spring	Automotive Accessories	Leather and Radio Sets and Parts Mfg.
Savage Arms Corp......	Firearms	Household Refrigerating and Washing Machines.
Sears-Roebuck	Mail Order	Department Store.
United Cigar Stores.....	Retail Tobacco Dist...	Retail Candy and Radio Sets and Supplies.
Yellow Cab Mfg........	Mfg. Taxi Cabs......	Mfg. Light Commercial Trucks.

Crucible Steel, with a war-inflated producing capacity, is unable to employ all its machinery in the manufacture of steel. Casting about for some means whereby the idle machines and plants may be employed profitably, the company discovers an opening in the locomotive repair business. Similarly, American Bosch Magneto, seeking uses for plants than can no longer be turned entirely to the manufacture of products for which they were constructed, develops a radio accessory side line.

Sears, Roebuck recently found that it was overlooking much valuable business in Chicago, Kansas City and other large distributing centers. People in these cities do not care to buy merchandise from mail-order catalogues. They have ready access to large stores where goods are actually on display. Possessing a highly trained organization and ample building space, it is a simple matter for Sears, Roebuck to enter the department-store field.

International Paper, in the course of its growth, acquired extensive water power sites to be used in connection with the manufacture of paper. But along came the spectre of Canadian competition. High-cost American paper-producing mills have been forced to migrate to Canada in self-protection. Power sites cannot be moved, however. They must be diverted to other occupations. What more natural, then, but that International Paper should become a quasi public utility enterprise?

Occasionally, excursions in new fields are the result of accident. *Colorado Fuel and Iron,* organized as a coal mining and steel and iron manufacturing concern, one day finds indications of oil on its properties. Public utility companies have done exactly the same thing at odd times in the past. So, also, have several railroad companies. Thus the mystery of unexpected market movements may often be explained.

Railroads

Is the Motor Truck Taking Business Away from the Railroads?

No Occasion for Alarm—Recent Developments of Interest

By JOSEPH M. GOLDSMITH

THERE is a good deal of piffle being uttered these days about the danger of the railroads losing business to the motor truck. The most cursory examination of the situation indicates, however, that the motor truck is competing with the railroads in a field which the roads would be glad to leave. For years, especially in congested sections of the country such as New England, short-haul traffic has become less profitable. It is in this field that the motor truck is operating. In long-distance haulage, however, which constitutes the backbone of railroad traffic and earnings, the roads stand supreme and probably will always continue to do so unless, perhaps, air transportation can be brought to a state of general commercial adaptibility.

IN the early days of American railroading what competition the carriers encountered came from boats operating on the inland waterways. A decade ago, the completion of the Panama Canal enabled the steamship companies to vie with the railroads for transcontinental business. Of late, a new agency of transportation has challenged the supremacy of the locomotive. The automobile has reached a stage of development where it is competing with the railroads for freight and passenger traffic over which the latter formerly possessed an absolute monopoly. The battle between steam and gasoline is on.

The editorial press has in most cases viewed this conflict with considerable alarm. The attitude has frequently been taken that this new menace may place the railroads in great danger as the severity of the competition increases. Let us examine the justification for this point of view.

Boston & Maine's Dilemma

An incident which has brought the whole problem to the front was the recent application of the Boston & Maine Railroad to abandon about 100 miles of line. This is about 40% of the road's total mileage. The application stated that motor traffic has taken such a large part of the railroad traffic on the branch lines mentioned that rapidly increasing losses have developed. The fact that this railroad desires to discontinue service on such a large proportion of its mileage and relinquish it to the motor truck, indicates that under certain conditions the competition can become very formidable.

The Boston & Maine's troubles, however, are not an index to the condition that prevails throughout the country. Most of the branches of which it seeks to rid itself were not productive even before the advent of the motor truck. It did not require a very great diminution of traffic to make them serious drains on the rest of the system. Much of the business was of a local nature and on this sort of traffic the automobile can compete very successfully.

The application of this New England road does not mean that we are to have a countrywide abandonment of railroad mileage during the next few years. Whether gasoline can compete with steam depends upon a variety of factors. The character of the traffic, the topography of the country and the density of the population, each has its influence. In no section of the United States are these conditions more favorable to the automobile than in New England and the problem is a more serious one there than in any other district.

Would Be Welcomed by Railroads

It is quite probable, however, that numerous short branch lines serving small industries and a meager population can now be profitably abandoned. Many railroads would welcome such an opportunity. A great many short spurs which the railroads must operate because the public convenience requires it, may no longer be necessary when motor service is more fully developed. It is probable that the railroads will take it upon themselves to furnish this service if it does not already exist.

Branch lines are seldom the profitable portion of a railroad. Although commonly spoken of as "feeders," they are in reality usually "suckers." They are built merely to move the traffic down to the main line upon which the profitable part of the haul is secured. The operation of the branch itself frequently costs a great deal more than the revenue derived from its operation.

The loss of some of this business which now moves over branch lines should not seriously deplete railroad revenues. Provided they are able to reduce their passenger and freight service, the saving in expense may be greater than the decline in revenue. The fact that the auto bus is at the public's disposal should make it possible to discontinue many local passenger trains which have heretofore been run at a loss.

It is in this sphere of local transportation of both passengers and comparatively light freight, that the automobile is making headway. As a competitor of the railroads on this class of business it is here to stay and in most cases is getting distinctly the better of it.

No one seriously considers the motor truck as a suitable competitor of the railroad on long-haul traffic, either passenger or freight. In regard to the former service the time element eliminates the automobile, and on the lat-

ter the cost of rendering the service is overwhelmingly in favor of the railroad.

Cannot Compete on Long-Haul Traffic

A few very simple figures will show that on a normal main line haul the motor truck cannot compete on anything like an even basis. The average freight train load for the United States as a whole is about 700 tons. The average rate which the railroads received this past year for carrying a ton of freight one mile was only 1.12 cents.

The motor truck cannot carry freight at this low rate per mile. It would take 70 trucks each hauling ten tons to do the work of one freight train. It is obvious that the labor cost of dispatching such a fleet of autos would be prohibitive as compared to the labor cost on a single freight train. Then again the use of coal as fuel is cheaper than gasoline. It is quite apparent, that except in the local field the railroad reigns supreme and will continue to.

The railroad handles "mass" transportation and the motor truck "retail" transportation, as Mr. Elisha Lee aptly phrased it. The problem is not which instrument of transportation shall prevail, but how can the two be properly coordinated. For a time at least we shall witness railroad and motor lines fighting one another for business, but eventually this wasteful process must stop.

The motor truck is looked upon as a menace to the railroads, merely because it has not yet been assimilated into our transportation system. It is of too recent origin to have been properly fitted in as yet with railroad operation. The public interest can best be served by welding them together into a new and better transportation system.

Recent Experiments

Some roads have already experimented along these lines. The Pennsylvania has already put into service a number of motor-truck lines, which in large part have taken the place of local trains. That road has made a contract with a trucking concern to carry package freight between Philadelphia and Wilmington, a distance of 25 miles. This arrangement permitted the abandonment of two trains. The company's official announcement at the time that the new service was instituted is of interest, because it presents a very clear picture of the problem. The statement follows:

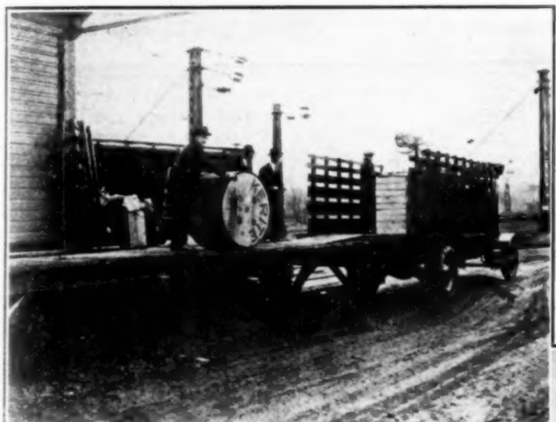
"In the opinion of the management the public interest will best be served by having package freight between intermediate points in this territory handled as far as practicable by motor trucks instead of by freight trains. In putting the new arrangement into effect the management believes it is taking an important step forward in relieving railroad facilities, so as to expedite the handling of long distance and heavy freight, for which railroad equipment and facilities are immeasurably better adapted than are motor vehicles on the public highways. It is believed also that the arrangement constitutes a tangible advance in bringing about practical coordination of service and facilities between motor and rail transportation."

The railroad itself continues to move all carload freight or lots of 1,000 pounds or more as well as especially heavy articles. The new arrangement on package freight is a step in the direction of door to door delivery. It has been the English practice for many years and there seems every reason to believe that it will finally be fully developed by lines in this country, particularly in thickly populated areas.

As an Adjunct

When used in conjunction with the railroad in this manner, the motor truck is being employed in its proper sphere. Between nearby traffic centers such as New York and Philadelphia for instance, small freight is going in large quantity to the motor truck. There is the advantage of door to door delivery and also a considerable saving in time due to less handling. The class of freight that is being diverted from the railroad in this manner is not that on which the railroads make the most income. Bulk commodities, although carried at low rates, are the profitable end of a railroad's business.

Taking a broad view of the situation, it cannot be said that up to the present motor-truck competition has had a serious effect on railroad traffic. There are isolated cases, of course, but as far as our railroad system as a whole is concerned the actual loss in passenger and freight traffic has been slight.



Showing the use of the motor truck by the Pennsylvania Railroad over short distances.

It would take 70 trucks like those shown to carry a train load of 700 tons. On bulk freight over long distances, the motor truck cannot compete with the railroads.

Bonds

What Bonds Are Attractive Today?

How Prospective Conditions Would Affect Different Classes — Bond Interest vs. Purchasing Power

THE search for attractive bonds is becoming more and more difficult. Real bargains are to be found no longer except, perhaps, in the speculative division of the market. The late, unlamented business reaction left a vast volume of unemployed funds in the hands of banks, business men and private individuals. These had to be put to work, for it does not pay to keep money on a vacation. So the owners of such idle dollars turned to the securities market in force.

Their competition for fixed income bearing issues has carried the bond market to high levels. Incessant demand for profitable investment mediums has ironed out irregularities in yield to an unusual degree. In the meantime, business is again improving and commodity prices are rising. The transition has, in fact, gotten well under way.

As these movements continue, the banks and other large lenders of money will find it more profitable to place their funds in the hands of business borrowers. Expanding industrial activity induces the latter to pay increasingly higher rates for accomodation. Thus the bond market must contend with competition of a different sort than heretofore—that of sellers instead of buyers.

Effect of Gold Exports

But that is not all. Gold has been flowing out of the United States in quantity, of late. This outgoing tide seems likely to run higher. Its tendency is to contract the supply of credit at the fountain head, intensifying competition and adding firmness to money rates. And lastly, the growing demands of Europe on American lending ability have a similar effect.

If, as it is entirely reasonable to believe, the bond market has reached its peak, buyers of the better grade bonds at these levels must be prepared to hold them through a probable recession. Assuming that the purchaser selects sound securities for permanent investment, this may not seem a disturbing possibility. Should he be required to dispose of his holdings later on, he may well sustain some loss through depreciation in market value.

But even though he should not sell, he is bound to suffer a real loss none the less. Declining bond values and advancing commodity prices have a deeper significance than considerations of mere market value. It is doubtful that the average investor realizes this fact. He is prone to look upon yield as a fixed quantity. Yet, actually it is not, for when commodity prices are climbing, the purchasing power of the dollar shrinks. Money is nothing more

(*Please turn to page 603*)

The "Best Ten Bonds"

NAME	Class	Int. Rate %	Maturity	Recent Price	Current Yield %	Yield to Maturity %	Redeemable at	Interest Times Earned 1921	1922	1923
High Grade										
C. C. C. & St Louis...........	Ref. & Imp.	5	1963	95	5.27	5.30	105	1.48	2.17	2.72
N. O. Tex. & Mex. Ry. Ser. A.	1st Mtge.	5½	1954	99	5.55	5.58	[1]105	7.46	5.56	7.33
N. Y. Chi. & St. Louis Ser. A..	Refunding	5½	1974	94	5.85	5.88	107½	‡3.66	2.71	2.73
Second Grade										
Consol. Coal Co...............	1st & R. Mg.	5	1950	87	5.65	6.05	107½	2.68	2.37	2.27
North-Am. Edison Sec. Ser. B..	Coll. Trust	6½	1948	102	6.37	6.30	[2]105¾	—	—	2.98
Philadelphia Co. Conv. Deb.....	*Dir. Oblig.	5½	1938	95	5.79	6.05	[3]102½	2.13	3.28	2.98
Youngstown Sheet & Tube Deb.	Direct Obli.	6	1943	96	6.25	6.35	105	—	—	5.13
Speculative										
Ajax Rubber Co..............	1st Mtge.	8	1936	96	8.33	8.55	110	def.	1.10	0.95
Julius Kayser & Co...........	1st Mtge.	7	1942	102	6.86	6.80	[4]110	Not Reported	Separately	
Market Street Ry.............	1st Mtge.	7	1940	99	7.07	7.10	[5]107½	†1.84	2.47	2.64

* Convertible into non-callable 6% cum. preferred stock par for par.

† Last nine months.

‡ Old company.

[1]To Oct. 1, 1944. Premium decreases ½% yearly thereafter.

[2]Premium decreases ¼% yearly after Sept. 1, 1925.

[3]Premium decreases ½% yearly after March 1, 1933.

[4]To Feb. 15, 1927. At 107½ to Feb. 1, 1932. At 105 to Feb. 1, 1937. Thereafter at 102½.

[5]To April 1, 1926. Premium decreases ½% yearly thereafter.

MIDDLE-GRADE BONDS SHOW STRENGTH

RENEWED strength among middle-grade securities was the only outstanding feature in an otherwise uninteresting bond market since our last issue, and justified our repeated suggestions that subscribers confine their commitments to this division of the bond market. A glance at the table will show that over half of the bonds recommended therein showed price appreciations of from a fraction to over four points, which is quite a substantial reward for those who purchased these securities since our last issue, and even greater return for our subscribers who have been holding these securities at the considerably lower levels at which they were obtainable a year ago.

Among the issues which showed the greatest appreciation among the rails were the Baltimore & Ohio refunding 5s, Missouri, Kansas & Texas adjustment 5s, Chesapeake & Ohio convertible 5s, etc. Public utility issues were also quite active and strong, Standard Gas & Electric convertible 6½s, American Water Works & Electric 5s, United Fuel Gas 6s, Brooklyn-Manhattan Transit 6s and American Gas & Electric debenture 6s being among the leaders. In the industrial division, good gains were shown by the American Agricultural Chemical Company 7½s, American Republic Corporation 6s, B. F. Goodrich 6½s and the copper bonds.

Rise in Mexican Bonds

Government loans and high-grade bonds showed little change, although there was special strength in the Armour & Company 4½s of 1939, which have been consistently behind the market for a long time. New York Dock and Atlantic & Danville 1st 4s gained a point, with a somewhat larger advance among the Philadelphia Company 6s. Among Government issues, the highly speculative Mexican bonds were a feature, with quite a demand owing to the feeling that the present administration of the Southern Republic will endeavor ultimately to carry out the arrangement for payment of interest entered into with the American Committee in 1922.

The recent advances among the character of bonds we have so persistently recommended naturally has somewhat reduced the advantages that were previously obtainable, but we still feel that this division of the bond market offers the best possibilities. Among the bonds apparently overlooked at this time, due to the poor result of operations of the company last year, are the Warner Sugar Refining Company first 7s, which we are introducing to our readers. These bonds appear well protected by property assets and normal earning power. The poor results last year is not a criterion, as in the past the company has shown good earning power.

BOND BUYERS' GUIDE

(Bonds listed in order of preference)

		Apx. Price	Apx. Yield	§Int. earn'd on entire funded debt
HIGH GRADE (For Income Only)				
Non-Callable Bonds:				
Great Northern Genl. 7s, 1936	(c)	109½	5.90	2.85
Atlantic & Danville 1st 4s, 1948	(a)	77	5.80	....
Western Union Telegraph Co. 6½s, 1936	(a)	110½	5.25	e 1.75
New York Edison Co. 6½s, 1941	(b)	113	5.20	3.30
Chicago & Northwestern 7s, 1930	(b)	107½	5.25	1.80
Delaware & Hudson 7s, 1930	(b)	109	5.15	2.10
New York Dock Co. 4s, 1951	(a)	70	5.50	2.70
Callable Bonds:				
Armour & Co. Real Estate 4½s, 1939	(a)	87	5.55	....
Laclede Gas Light Coll. & Rfd. 5½s, 1953	(c)	95½	5.75	1.41
Philadelphia Company 6s, 1944	(c)	103½	5.70	3.50
Canadian General Electric deb. 6s, 1942	(a)	107	5.35	g 2.80
MIDDLE GRADE (For Income and Profit)				
Railroads:				
Cuba R. R. 1st 5s, 1952	(a)	85	6.15	2.45
St. L. & S. F. Prior Lien 4s, 1950	(c)	71½	6.30	1.25
Western Pacific 1st 5s, 1946	(c)	91	5.80	2.40
New York, Ontario & Western 4s, 1992	(a)	68	5.90	2.00
Missouri Pacific 1st & Rfd. 6s, 1949	(b)	100	6.00	1.20
Baltimore & Ohio Convertible 4½s, 1933	(b)	89½	6.20	1.35
Baltimore & Ohio Rfd. 5s, 1995	(b)	87½	5.65	1.35
Missouri, Kansas & Texas Prior Lien 5s, 1962	(c)	87¼	6.00	1.10
Boston & New York Air Line 4s, 1955	(a)	67	6.45	....
Kansas City Southern Rfd. and Imp. 5s, 1950	(a)	89	5.85	1.90
Minneapolis, St. Paul & Sault Ste. Marie 6½s, 1931	(a)	103½	5.80	1.50
Rutland R. R. 1st 4½s, 1941	(a)	85½	5.90	1.75
Chesapeake & Ohio conv. 5s, 1946	(b)	108	4.40	1.65
Industrials:				
South Porto Rico 1st Mtg. and Co. 7s, 1941	(b)	102	6.75	2.20
Sinclair Pipe Line 5s, 1942	(b)	84	6.60	g 2.50
Goodrich, B. F., Co. 1st 6½s, 1947	(b)	102	6.30	e 2.40
Pan Amer. Petroleum & Transport conv. 6s, 1934	(c)	105½	5.30	25.00
California Petroleum Corp. 6½s, 1933	(c)	102	6.20	4.80
International Paper Co. 5s, 1947	(a)	89	5.85	3.50
U. S. Rubber 5s, 1947	(c)	86	6.10	2.05
Bethlehem Steel Co. 5s, 1936	(a)	91¼	6.10	f 2.30
Armour & Co. of Del. 1st 5½s, 1943	(c)	91½	6.25	....
Anaconda Copper Mining Co. 1st 6s, 1953	(b)	101	5.90	g 1.25
Union Bag & Paper Co. 6s, 1942	(b)	96	6.30	f 4.40
Public Utilities:				
Manhattan Railway Cons. 4s, 1990	(a)	63	6.40	g 0.90
Amer. Water Works & Elect. Corp. Col. 5s, 1934	(c)	93½	5.95	2.40
Ohio Public Service 7s, 1947	(c)	107¼	6.40	f 2.00
United Fuel Gas 6s, 1936	(b)	99¼	6.10	e 2.70
Virginia Railway & Power 5s, 1934	(a)	91	5.80	2.00
Hudson & Manhattan Refunding 5s, 1957	(c)	87	5.90	2.60
American Gas & Electric 6s, 2014	(c)	96¾	6.20	2.00
Kansas Gas & Electric 6s, 1952	(b)	99½	6.00	1.80
Havana Elec. Ry. Light & Power 5s, 1954	(a)	86	6.00	5.00
American Power & Light Deb. 6s, 2016	(c)	94	6.40	3.00
Commonwealth Power Corp. 6s, 1947	(c)	99½	6.00	4.50
Manitoba Power Company 7s, 1941	(c)	99¼	7.00	....
SPECULATIVE (For Income and Profit)				
Railroads:				
Erie Genl. Lien 4s, 1996	(b)	64¼	6.35	1.31
St. Louis & San Francisco Adj. Mtg. 6s, 1959	(c)	86	7.10	1.25
Missouri, Kansas & Texas Adj. Mtg. 5s, 1967	(c)	80½	6.30	1.10
International Great Northern Adj. 6s, 1952	(c)	70¼	6.30	....
Chicago Great Western 1st 4s, 1959	(a)	61½	7.00	0.85
Western Maryland 1st Mtg. 4s, 1952	(a)	65	6.85	1.20
Rock Island, Ark. & Louisiana 1st 4½s, 1934	(c)	85	6.70	....
Industrials:				
Cuba Cane Sugar 7s, 1930	(c)	94	8.20	2.15
Empire Gas & Fuel 7½s, Series "A" 1937	(c)	98¾	7.70	3.30
International Mercantile Marine 6s, 1941	(b)	89¼	7.10	2.50
American Agricultural Chemical Co. 7½s, 1941	(b)	98	7.70	....
Warner Sugar Refining Co. 1st 7s, 1941	(c)	93	7.75	....
Public Utilities:				
Brooklyn-Manhattan Transit 6s, 1968	(c)	85½	7.10	f 1.50
Chicago Railways 1st 5s, 1927	(a)	84¾	14.00	1.08
Hudson & Manhattan Adj. Income 5s, 1957	(b)	68½	7.70	2.00
Interboro Rapid Transit 5s, 1966	(a)	69	7.40	0.90
Third Avenue Railway Rfd. 4s, 1960	(b)	56	7.60	i 1.35

* Principal and interest guaranteed by Dominion of Canada. † Callable in 1951. ‡ Callable in 1936. § This represents the number of times interest on the companies' entire outstanding funded debt was earned, based on earnings during the last five years. Includes government payments during period of government operations of railroads.

(a) Lowest denom., $1,000. (aa) 1922. (b) Lowest denom., $500. (c) Lowest denom., $100. (d) Lowest denom., $50. e Average last three years. f Average last two years. g Average last four years. i Does not include interest on adjustment bonds.

Public Utilities

How Leading Edison Companies Compare

A Sound Field for Investment

By JAMES N. PAUL

Comparison of Leading Edison Companies

COMPANY	Capitalization in Millions: Bonds	Capitalization in Millions: Stocks	Times Total Bond Int. Earned 1923	Amount per Share Earned on Common: 1923	Amount per Share Earned on Common: 1924 (est.)	Div. Paid on Com. Stock	Market Price For Stk.	Yield	Market for Stock
Brooklyn Edison	$45.7	$58.0	4.19	$14.41	$12–13	$8.00	129	6.20%	N. Y. Stock Exch.
Commonwealth Edison.	89.7	83.5	3.47	11.21	12	8.00	136	5.90	Chi. Stock Exch.
Detroit Edison	75.5	56.9	2.02	13.45	12	8.00	115	7.00	N. Y. Stock Exch.
*New York Edison...	68.2	100.6	4.59	**7.22	A	5.00	***	***	***
So. Cal. Edison.......	114.6	72.2	2.54	9.80	9	8.00	105	7.50	Los Angeles Stock Exch. also over the Counter in New York.

A—Not available.

* New York Edison controlled by stock ownership by Consolidated Gas of New York and only senior securities are publicly owned.

** Amount a share earned on no par value shares, two of which were exchanged for each $100 par outstanding in 1923.

*** All the capital stock is owned by Consolidated Gas Co. of New York and consequently no market for shares.

WHAT is responsible for the prosperity of the so-called Edison companies? Earnings have advanced to such an extent that securities of these companies have now reached a point where they are in greater demand than those of the ordinary public utility company, hydro-electrics included. Taking the more prominent Edison companies are included Brooklyn Edison Co., operating in Brooklyn; Commonwealth Edison Co., operating in Chicago; Detroit Edison Co., operating in Detroit; New York Edison Co., subsidiary of consolidated Gas Co. of New York, and Southern California Edison Co., which in contrast to the other companies operates through a wide territory, in the southern part of California, including a number of the larger cities.

The rapid increase in earning power is due chiefly to the fact that operations are concentrated within a small area in large cities where growth of population is extremely rapid. Obviously with rapid growth of population within a small territory, expansion is not nearly so costly as in the case where population is scattered throughout a large area and costly transmission lines and widely scattered plants are necessary. Consequently, the larger Edison companies each year are taking on new customers at a rate not nearly equalled by other public utility companies.

A case in point is that of Brooklyn Edison Co. Brooklyn and its environs, it has been estimated, has shown a more rapid growth of population during the past year than any other community, which naturally makes for the prosperity of the local Edison Company. Brooklyn Edison for instance, is estimated to have made a new record for the number of new customers taken on and in 1924 probably took on close to 150,000 new subscribers. The company has been hard put to meet the demand for service. The same applies to a somewhat less degree to the situation in Detroit, Chicago and New York, working to the benefit of the local electric companies. The case of Southern California Edison Co. is somewhat different but this company is included here for the purpose of analysis.

Of the four companies operating in Brooklyn, Chicago, New York and Detroit, generation of electric energy is by the means of steam, water power not being available for this purpose. With Southern California Edison, the greater amount of output is through hydro-electric plants. However, should the trend of population continue to grow it is not far-fetched to visualize the time when power will be transmitted hundreds of miles from available water powers to the cities. Indeed, some such project has already been discussed in a plan which would bring cheap electric power from Niagara Falls down to as far as New York.

Another favorable factor for the Edison companies operating in the large cities is that they have foreseen the growth of population. In the past few years they have expended huge sums for facilities so that expansion during the next year or two will simply mean connecting customers with its system already laid out.

Brooklyn Edison

Brooklyn Edison Co. has probably been the most fortunate of the Edison companies from the viewpoint of rapid

expansion of population and increased demand for new customers for service. The 150,000 new customers which, it is estimated, were taken on in 1924, probably is a record not equalled by any other public utility property.

Brooklyn Edison is successor by change of name to the old Kings County Electric Light & Power Co. and Edison Electric Illuminating Co., and has a practical monopoly of supplying electric light and power in Brooklyn. Only recently the company acquired the electric light plant and distributing system of the Flatbush Gas Co., subsidiary of Brooklyn Union Gas, eliminating its only competitor in the field. The transfer of the properties involved approximately $4,500,000. From the first of 1924 to September, the company in addition expended the sum of $13,000,000 to enlarge its facilities. The effect of this expansion should be seen in 1925 earnings. Proceeds of the recent $25,000,000 5% bond issue sold was to pay in part for this expansion and in addition $10,000,000 was used to retire 7% debentures outstanding which became callable. The company thus substituted 5% bonds for the 7% debentures effecting a material saving in interest charges.

Reports to the effect that the company is contemplating splitting up its $100 shares into smaller units can be authoritatively denied. M. S. Sloan, president of the company, commenting on the reports stated that no such action had been considered or was likely to be.

The company last year showed between $12 and $13 a share earned on the capital stock against dividend requirements of $8 annually. This is a good margin and is likely to increase in the coming year owing to expansion of facilities.

The $25,000,000 issue of 5% first mortgage bonds recently sold at par on a public offering and now selling within a fraction of the offering price must be considered a high grade investment proposition. The yield is 5%, which of course is not attractive to the small investor. The stock recently sold up above 130 and at the current price of 129 a yield of slightly over 6% is shown. *Purchase at these high prices might be deferred although the stock should eventually reach a higher market level.*

Commonwealth Edison

Commonwealth Edison Co. must be classified as one of the largest producers of electricity and also one of the strongest companies of its class financially. Property is administered under the guidance of the Insull interests of Chicago, controlling the Peoples Gas Light & Coke and also indirectly interested in many public utility properties throughout the middle west. The company does practically the entire electric light and power business of Chicago and in addition controls its own coal mines which supply fuel for power plants. It also has a substantial interest in the Chicago Elevated lines, though this factor is not taken into consideration in estimating earning power.

The company has a demonstrated earning power over a period of years though here too, the large sums being invested for expansion do not as yet show as full a return on the investment as they will eventually. The effect of this, as with Brooklyn Edison Co., will be seen in later years as with the erection of giant electric plants, new construction is well ahead of its current needs. Electrical output for 1924 is estimated by the company to be showing an 8% increase over 1923 and earnings should show a corresponding advance with the intimation that 1925 will be even better .

In 1923, the company earned $11.21 a share on its eighty-three millions of stock, compared with $11 the previous year. There is only one class of stock. Earnings for the 1924 year are conservatively estimated at the rate of $12 a share on the capital stock, or $4 in excess of the current dividend requirement.

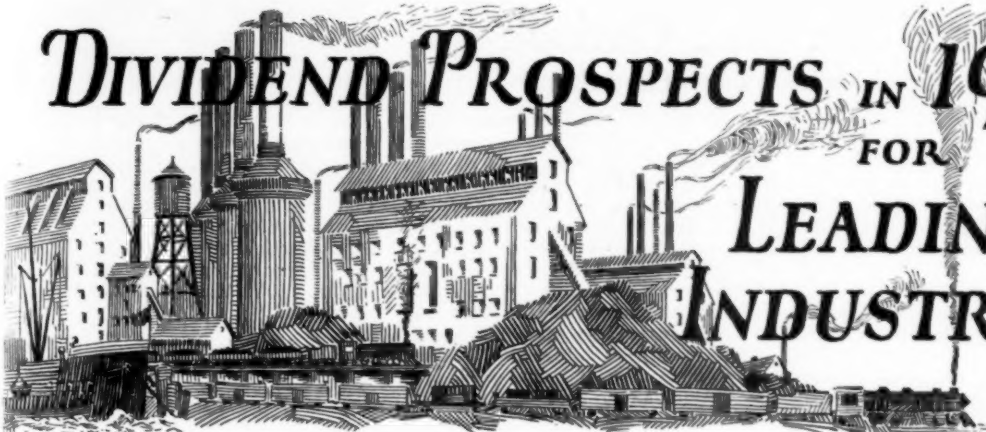
The company has been proceeding with a large expansion plan and $15,000,000 of bonds were sold early in 1924 to defray expenses of this so that it is unlikely that any further financing is contemplated for the present. Some $14,400,000 additional stock was sold last year to shareholders which gave them valuable rights in addition to dividends. Financing from time to time is only to be expected with a company of the size of Commonwealth Edison and is not a bearish factor.

(Please turn to page 609)

THE TREND IN LEADING INDUSTRIES

	SUPPLY OF BASIC ELEMENTS				COST OF PRODUCTION				DEMAND			OUTPUT		PRICES		PROFITS
	Labor	Raw Materials	Fuel	Transportation	Labor	Materials	Fuel	Transportation	Unfilled Orders	Stocks on Hand	Shipments	Raw Products	Finished Products	Raw Products	Finished Products	Of Leading Companies
STEEL	Shortage Threatens in Some Sections	Ample	Ample	Full Facilities	Unchanged But May Increase	Slight Advance	Slight Advance	Unchanged	Great Increase	Small	Rapidly Increasing	Great Increase	Great Increase	Advancing	Advancing	Generally Increasing
COAL	Surplus	Ample	—	Full Facilities	High, Strike Possible	Slight Advance	—	Unchanged	Slight Increase	Very Large	Increasing	Small Increase	—	Slight Advance	—	Should Improve Somewhat
BUILDING	Recent Surplus Shrinking	Ample	Ample	Full Facilities	High, No Change Expected	Slight Advance	Slight Advance	Unchanged	New Construction Increasing	—	—	—	Increase in Commercial Buildings	—	Lower	Still Profitable
OIL	Surplus	Ample	—	Full Facilites	High No Change Expected	Slight Advance	—	Unchanged	Increasing	Declining	Increasing	Slight Decrease	Slight Increase	Slightly Higher	Slightly Higher	Should Improve
COPPER	Surplus	Ample	Ample	Full Facilities	Lower	Slight Advance	Slight Advance	Unchanged	Increasing	Declining	Increasing	Increasing	—	Higher	—	Improving
CHEMICALS	Surplus	Ample	Ample	Full Facilities	Unchanged	Slight Advance	Slight Advance	Unchanged	Increasing	Fairly Large	Increasing	Slight Increase	Slight Increase	Somewhat Higher	Somewhat Higher	Improving
TEXTILES	Surplus	Ample	Ample	Full Facilities	Lower	Lower Cotton Higher Silk and Wool	Slight Advance	Unchanged	Increasing	Not Large	Increasing	Slight Increase	Large Increase	Irregular	Generally Higher	Improving
AUTOMOBILES	Surplus	Ample	Ample	Full Facilities	High No Change Expected	Slight Advance	Slight Advance	Unchanged	Increasing	Fairly Large	About to Increase	—	Slowly Increasing	—	Lower	Great Competition for Sales
TIRES	Surplus	Ample	Ample	Full Facilities	High No Change Expected	Rubber High Cotton Off	Slight Advance	Unchanged	Increasing	Have Been Reduced	Increasing	—	Increasing	—	Possible Increase	Improving
LEATHER	Surplus	Ample	Ample	Full Facilities	High No Change Expected	Slight Advance	Slight Advance	Unchanged	Increase in Shoes	Have Been Reduced	Slight Increase	Increase	Increasing	Higher	No Change	Improving
PAPER	Surplus	Ample	Ample	Full Facilities	High No Change Expected	Slight Advance	Slight Advance	Unchanged	Increasing	Have Been Reduced	Increasing	—	Increasing	—	Newsprint Lower	Slight Increase
TOBACCO	Surplus	Ample	Ample	Full Facilities	High No Change Expected	Slight Advance	Slight Advance	Unchanged	Increasing	Fairly Large	Slight Increase	Increase	Increase	Probably Higher	No Change	Satisfactory

Dividend Prospects in 1925 for Leading Industries



Railroads	*Rail Equipments*	*Public Utilities*
Metals	*Steels*	*Automobiles*
Oils	*Auto Accessories*	*Tires*

THE purpose of this section is to give the dividend position of representative groups of stocks listed on the N. Y. Stock Exchange. Not all the leading groups have been covered, partly because of lack of space, partly because essential data was not completely available, and partly because many of the stocks representing these industries were so far removed from dividend possibilities that an analysis of their situation would have been futile. Considering the fact, however, that about two hundred important stocks have been included in the tables herewith, sufficiently comprehensive results have been secured to make the effort of genuinely practical value.

What the Tables Do

There are several points about these tables which should be given close attention. The first is that they are not primarily given as actual forecasts of dividend prospects. It would obviously be impossible for us to know what each individual management intended to do in regard to dividends. Many of them, in fact, have come to no decision and probably will not do so for several months at least.

We have limited ourselves, therefore, purely to an analysis of the actual situation of each company with a consideration to its general financial condition, earnings and trade prospects and have deduced from this set of conditions, whether or not the company is *in a position* to increase its dividends.

The reader, therefore, should be under no illusion that the fact that we believe a given company in a position to increase its dividends, is necessarily a guarantee that it will do so. We are merely discussing its ability to do so. It is important, however, from a comparative viewpoint to know which companies are in a position to take favorable dividend action and which are not. It is from this angle, that the studies herewith presented have practical value.

Incidentally, it is worth while noting that as a rule the fundamental ability of a company to declare or raise dividends will eventually bear fruit in the actual declaration. For example, for several years we had pointed out that *Atchison* was in a position to raise its 6% dividend, yet the company took this action only several weeks ago. It should be clear, however, that while it is possible and frequently entirely feasible to say whether or not a company is in a position to raise its dividend, it is almost impossible to say just *when* this is likely to occur, as this must necessarily depend on factors entirely out of control and consequently not predictable.

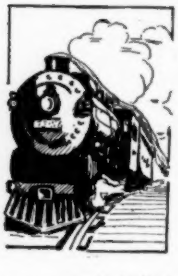
Rating the Stocks

The second feature, which we believe of importance, is the rating given to each stock. Thus, (**A**) is marked attractive; (**B**) unattractive and (**C**) too high. These descriptions refer purely to the market outlook for the stocks. As a rule, an investment position is taken. That is to say, we have attempted to answer the questions whether the stock is attractive or otherwise, not from the viewpoint of speculative market possibilities, but from the viewpoint of investment value as reflected in the yield and earnings on market price. In some instances, however, we have been compelled to take speculative conditions into consideration. Generally speaking, issues which are marked attractive should eventually reach a higher position in the market.

The tables should be found useful by three classes of investors: (1) Those who hold stocks and wish to obtain our views on their prospects; (2) those who wish to make new commitments, and (3) those who desire to sell what they have, exchanging the proceeds for other stocks in a superior position.

Railroad Dividend Outlook

Leading Stocks and Where They Stand



THE outstanding feature of railroad operations in 1924 was the remarkable increase in operating efficiency. When the fact is considered that there was no reduction of wages and even some increases, the past year's results stand as a great tribute to American railroad management.

Gross earnings in 1924 were about six per cent less than in the preceding year but net earnings declined only about one per cent. Among a few of the factors which may be mentioned as contributing to the lower operating ratio were the following: (1) increased efficiency of labor, which was a result of expert supervision by the managing officials; (2) increased tractive power of locomotives, due to the employment of new mechanical devices; (3) lower cost of materials; (4) smaller charges for maintenance, made possible by large sums spent in 1923.

Consequently, despite the handicap of lower gross earnings in 1924, the railroads were able to show net profits, nearly as high as the excellent results of 1923.

Since the middle of November, car loadings have been substantially ahead of the previous year's figures and, with industry steadily improving, indications are that gross earnings will be on a favorable basis for some time to come. This should enable the railroads, with their increased operating efficiency, to roll up substantial profits in the current year.

Dividend Increases

Having enjoyed two years of satisfactory earnings which permitted the railroads to improve both financial and

Position of Leading Railroad Stocks

ROAD	Earned per share 1923	Earned per share *1924	Price Range 1924 High	Price Range 1924 Low	Recent Price	Div.	Yield %	Earned in 1924 on Mkt. Pr. %	REMARKS
Atchison	$15.48	$14.90	120¾	97⅛	119	$7.	5.9	12.5	No further dividend increase likely. (C)
Atlantic Coast Line	18.64	20.00	152¼	112	150	a7.	4.7	13.3	Larger cash dividends or stock dividend probable. (A)
Baltimore & Ohio	13.21	10.20	84⅞	52⅛	81	5.	6.2	12.6	Dividend well protected and increase not improbable. (A)
Canadian Pacific	12.01	11.90	156½	142¾	151	10.	6.7	7.9	No dividend increase expected. Present yield liberal. (C)
Chesapeake & Ohio	12.60	17.00	93¼	67¾	97	4.	4.1	17.6	May receive better terms under Nickel Plate merger. (C)
Chicago & Eastern Illinois	....	....	38	21	34	..	..	...	Not earning fixed charges. (B)
Chicago, Rock Island & Pac.	1.22	2.40	50	21½	43	..	..	5.0	Dividend through merger with Southern Pacific probable. (C)
Chicago Great Western pfd.	1.22	1.30	31⅜	10½	27	..	..	4.8	No dividend likely. Merger possibilities. (B)
Chicago, Mil. & St. Paul	....	....	18¾	10⅞	15	..	..	...	Not earning fixed charges. (B)
Chicago Northwestern	4.94	5.50	75¾	49¼	75	4.	5.3	7.3	Earnings improving. Increase in dividend possible. (C)
Delaware & Hudson	11.09	13.80	139⅝	104½	139	9.	6.4	9.9	Dividend increase unlikely but may segregate coal properties. (A)
Dela., Lackawanna & West.	7.33	9.10	149⅛	110¼	143	a6.	4.2	6.4	Extra dividends probable. (C)
Erie	5.23	4.70	35⅜	20¾	33	..	..	14.2	Will receive $2.40 dividends if exchanged under terms of Nickel Plate merger. (A)
Great Northern	7.24	6.90	75	53¾	71	5.	7.0	9.7	No early increase in dividend probable. (C)
Illinois Central	13.55	16.50	117¼	104	118	7.	5.9	14.0	Increase in dividend only a question of time. (A)
Kansas City Southern	‡6.45	4.30	41¾	17¾	35	..	..	12.3	No dividend likely. (B)
Lehigh Valley	7.08	5.90	85	39½	82	3.50	4.3	7.2	Dividend increase unlikely except through a merger. (C)
Louisville & Nashville	11.54	12.40	109	87⅝	112	6.	5.4	11.1	Strong financial condition. May increase dividend. (C)
Minn., St. P. & S. S. M. pfd.	7.00	4.00	75	50	71	..	..	5.6	Early resumption of preferred dividend expected. (A)
Missouri-Kansas-Texas	1.16	†2.80	34⅜	10½	30	..	..	9.4	No dividend in near future. (C)
Missouri Pacific pfd.	0.17	9.60	74	29	82	..	..	11.7	5% Dividend soon. 32½% back dividends due. (A)
New York, Chicago & St. L.	16.15	15.10	128	72½	128	6.	4.6	11.8	Larger profits on C. & O. holdings. Increase in dividend assured. (C)
New York Central	16.91	14.80	119¾	99⅛	124	7.	5.6	12.0	Increase in dividend probable. (A)
N. Y., N. H. & Hartford	....	1.90	33¼	14⅛	32	..	..	5.9	No dividend expected. Merger possibilities. (C)
Norfolk & Western	13.65	12.50	133¼	102½	131	a7.	5.4	9.6	Will probably be taken over by Penn. Larger cash or stock dividend likely. (A)
Northern Pacific	5.23	6.30	73	47⅞	71	5.	7.0	8.9	No early increase in dividend probable. (C)
Pennsylvania	5.16	4.20	50	42¼	48	3.	6.3	8.8	Possibility of an increase in dividend. (A)
Reading	9.16	8.50	79½	51⅞	80	4.	5.0	10.6	Very strong financial condition. Dividend increase likely. (A)
St. Louis-San Francisco	6.53	10.00	65	19⅛	60	5.	8.3	16.7	No early increase in present rate expected. (A)
St. Louis Southwestern	14.71	8.50	55⅞	33	51	..	..	16.7	Has dividend possibilities. (C)
Seaboard Air Line	0.17	2.00	24⅛	6¼	22	..	..	9.1	No early dividend prospects. (C)
Southern Pacific	12.92	10.80	105½	85½	107	6.	5.6	10.1	Strong finances. Hidden equities. Dividend increase probable. (A)
Southern Railway	10.11	11.40	79¾	38½	81	5.	6.2	14.1	Possibilities of an increase in dividend. (A)
Union Pacific	16.17	15.20	151⅝	126⅝	152	10.	6.6	10.0	No increase likely. Present yield liberal. (A)
Wabash	2.64	3.30	24⅜	10¾	22	..	..	15.0	Dividends remote. (C)

* Estimate based on 11 months earnings. † After deducting 7% on preferred, 7% on the 5% adjustment bonds which are convertible into preferred. ‡ Excluding settlement for Federal control period earned only $4. a Also pays extras.

(A) Attractive
(B) Unattractive
(C) High Enough

physical condition, satisfactory profits from this time on may be expected in many instances to bring greater rewards to stockholders. Several roads have already initiated or increased dividends and others are expected to follow suit.

As the present Administration has gone on record as favoring a reasonable return on railroad property investment there is apparently little to fear by way of rate reduction. Although earnings of a large majority of the roads were very satisfactory in 1924, operating income in that year was less than 5% on property valuation, the valuation figures being based on the Interstate Commerce Commission tentative valuation for rate making purposes. This signifies that the railroads have still some distance to go before they can be said to be earning excessive amounts.

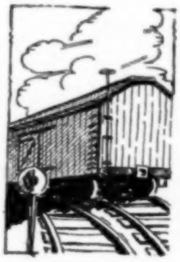
Merger Situation

Another important factor in the railroad situation is the prospect of important mergers. Developments along these lines will bring increased dividends to many railroad stockholders who otherwise would have to wait considerably longer for their rewards. The Nickel Plate merger, for example, will bring dividends to Erie common and preferred stockholders and increased dividends to stockholders of the Chesapeake & Ohio and Pere Marquette. It is probable that Southern Pacific and Rock Island will merge before long, a development which should mean dividend payments for Rock Island common stockholders.

Taking a broad view of the situation there still are a number of opportunities left in the railroad shares, despite the very extensive advance which has been enjoyed by this group in the past few months. At present levels, however, it is important to use discrimination in making purchases, as the majority of railroad stocks are no longer on the "bargain counter."

Railroad Equipment Prospects

Outlook of Freight-Car Manufacturers Compared with Locomotive Companies



WHILE the railroads have rectified the deficit of equipment which existed when the Government relinquished control, nevertheless the outlook for the railroad equipment industry may be regarded as quite satisfactory at the present time. The carriers are now reasonably well supplied with both locomotives and cars but in view of the heavy volume of traffic replacement demand alone should be sufficient to bring a satisfactory amount of business to the equipment companies.

In 1924, the railroads placed orders totaling about 135,000 freight cars, or about one-third more than in 1923. As a large proportion of these orders were placed in the closing months of 1924, the manufacturing companies now have unfilled orders for about 50,000 freight cars. Indications are that at least 50,000 additional cars will be ordered within the next few months so that for the first half of this year, car manufacturers will be working on orders totaling around 100,000 cars, a sufficient volume of busines to return satisfactory profits.

In the ten years, 1914-1924, freight car orders averaged about 125,000 annually. With the volume of railroad traffic at present levels, it is estimated at least 120,000 cars anually are needed for normal replacement and from 20,000 to 30,000 additional for necessary expansion for various lines. Based on these conditions, the outlook for this industry is quite encouraging.

Profits of the car manufacturers in 1924 generally fell off compared with 1923, for in the latter year they received the benefit of a large volume of unfilled orders carried over from 1922. With a large carryover of orders from 1924, however, earnings this year should again show distinct improvement.

A majority of the more important car-manufacturing companies have been conservative in dividend payments and as a result have built up a very strong financial condition. Improved earnings this year may, therefore, result in higher dividend payments in several instances.

Locomotive manufacturers have not done nearly as well as the car manufacturers, in regard to business booked. In 1924, sales of locomotives by domestic manufacturers reached a total of 1,300, a decline of 40% compared with 1923, and 50% below the 1922 total. The locomotive companies began production this year with unfilled orders for about 500 units, compared with 397 a year ago. This is an amount sufficient for about four months' operations under current schedules. In the current year, orders for locomotives are expected to increase only moderately and while the locomotive manufacturing companies should do somewhat better than last year they are not facing a period of unusual properity.

By conserving the large profits made during the war and inflation periods, the principal locomotive manufacturers are in very sound financial condition and as they can operate profitably even at 50% of capacity, a reasonably optimistic view of the outlook is warranted.

Position of Leading Railroad Equipment Stocks

	Earned per share 1923	Earned per share *1924	Price Range 1924 High	Price Range 1924 Low	Recent Price	Div.	Yield %	*1924 Earned on Mkt. Price %	REMARKS
American Brake Shoe	$13.35	$9.00	102	76	$101	$5	5.0	8.9	Increase in dividend probable. (C)
American Car & Foundry..	‡13.71	‡14.01	200¼	153½	197	12	6.0	7.1	Higher div. rate not unlikely. Stock being split up 2 for 1. (C)
American Locomotive	21.25	9.00	109¾	70⅛	116	6	5.2	8.0	Strong cash position. Increase in div. probable. (C)
American Steel Foundry ..	9.67	5.50	49	33½	48	3	6.3	11.5	Strong cash position. Increase in div. probable. (A)
Baldwin Locomotive	25.58	†	134⅜	104⅜	134	7	5.2	7.0	Increased div. uncertain. (C)
General American Tank ...	4.66	6.00	53	35½	57	3	5.3	10.5	Fair prospects for increase in div. (A)
Lima Locomotive	11.23	6.00	71	56	70	4	5.7	8.6	Good financial condition warrants anticipation of higher divs. (A)
New York Air Brake	8.42	6.00	57	36⅛	54	4	7.4	11.1	Div. well protected, but early increase unlikely. (A)
Pressed Steel Car	6.65	a	62	39	64	..	..	a	Uncertain outlook for dividends. (B)
Pullman Co.	§9.97	§10.08	151⅜	113½	147	8	5.5	7.0	Large cash surplus. Could pay higher div. rate. (A)
Westinghouse Air Brake	13.05	10.00	111	84	111	6	5.4	9.0	Strong cash position. Inc. in div. likely. (A)

* Estimated. † Only publishes annual reports. In 1924 probably earned $7 common dividend with small margin to spare. ‡Years ended April 30. § Years ended July 31. a Only publishes annual reports. In 1924 probably earned preferred dividend.

(A) Attractive
(B) Unattractive
(C) High Enough

Outlook for Manufacturing Industries

Varying Prospects for Machinery Makers—Electrical Equipment Companies in Best Position

THE grouping includes companies which fall into three general classes, namely: (1) the farm implement manufacturers; (2) electrical equipment producers and, (3) companies engaged in fabricating heavy machinery such as pumps, compressors and the like. Conditions in these industries vary widely.

The farm implement business has turned the corner after a prolonged depression. High prices for wheat, corn and other agricultural products are not fully mirrored in last year's earnings. The recovery in farmer purchasing power, though midway, did not reach its maximum until the year was well spent.

In spite of the pressing need for new equipment, farmers have been slow to spend money. Their efforts are still directed primarily to liquidation of accumulated debts. In itself, this procedure is beneficial but it does not produce sales in as large volume as might be desired. Nevertheless, earnings of agricultural machinery companies have been increasing. The potential demand is large, owing to the deficiencies created in four years of restricted buying.

As the season of heaviest business approaches, however, the prospect for definite betterment in sales and earnings is more promising than at any time since the memorable deflation period. The export outlook is clouded by reduced crop yields abroad, but domestic demand should more than counter-balance any unfavorable developments in this direction. Companies that have emerged from the depression with unimpaired finances are, of course, in an enviable position. The weaker concerns can hope for little more than gradual strengthening of broken financial structures.

While the aggregate sales of electrical equipment companies fell from 10% to 15% below the totals of 1923, profit margins were not materially altered. Public utilities anticipated a good share of their requirements during the fore part of 1924. As a result, buying of the larger types of equipment fell off in later months. Order books were well filled, however, and capacity operations continued. Sustained building activity and the phenomenal growth of radio added a considerable increment to the electrical business.

Making due allowance for irregularities, the current year should be productive of larger sales volume than the past year, particularly in respect to farm lighting and power plants. Relative price stability and good earnings are in prospect.

Machinery makers have contended with approximately four years of poor business. War inflated plant capacity has injured them directly. There has been no demand for new machinery, such as that which accompanies an era of plant expansion in the industrial field. Neither have the individual producers found it possible to employ their own facilities to the full.

Impaired confidence and low average operations in basic lines last year cut the demand for machinery to meagre proportions. Now that industry is on the upgrade, with marked recovery in steel, textiles, leather and other important machinery consuming centers, a better demand may be expected. This should leave room for some price appreciation and hence moderate recovery in profit margins and earnings.

Examination of the accompanying table discloses the fact that the best opportunities principally exist in securities of manufacturers engaged directly in the agricultural field. Stocks of other manufacturing companies have already largely discounted their prospects. This is particularly true of electrical equipment issues.

Position of Leading Manufacturing Company Stocks

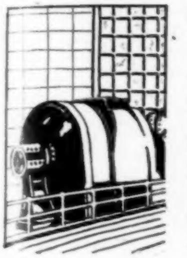
Common Stocks	Earned $ per Share 1923	Earned $ per Share 1924 (est.)	Price Range 1923 H.	Price Range 1923 L.	Price Range 1924 H.	Price Range 1924 L.	Recent Price	Div. per Share	Yield %	Earned % on Mkt. Price	REMARKS
Adv. Rumely (pfd.)	def.	3.0	54	24	54	28	51	$3.00	5.9	5.9	Earnings improving as result of recovery in agriculture. No early change in dividend likely. (A)
Allis Chalmers	5.96	8.0	51	37	73	41	73	4.00	5.5	11.0	Strong working capital position. Orders increasing. Outlook good. Could pay larger dividend. (C)
Case (J. I.) Thr. M.	def.	nil	42	17	35	14	30	...	..	...	Financial condition improving. Should benefit from brightening outlook for farm machinery. No div. likely for some time. (A)
Chicago Pneu. Tool	7.40	5.0	90	75	100	79	97	5.00	5.2	5.2	On sound footing, but no indication of marked expansion in earnings. No change in dividends indicated. (C)
Emerson-Brant. (pfd.)	def.	nil	30	6	16	7	14	...	..	...	Sales increasing. Further gains in prospect. Weak financial condition removes stock from dividend possibilities. ‡(B)
Fairbanks-Morse	8.55	4.0	..	..	34	25	35	2.60	7.4	11.4	Last year's earnings reduced by development and research expenses. Improvement likely. Possibility for more liberal divs. (A)
General Electric	18.25	18.0	202	167	322	193	303	†13.00	4.3	5.9	Principal beneficiary from growth of electrical industry. Divorcing utility subsidiaries. In position to pay increased div. (C)
General Refractories	3.63	3.0	55	52	55	31	57	2.00	3.5	5.3	Increasing industrial activities should help. No early change in dividend policy anticipated. (C)
Hoe (R.) & Co. Cl. A	5.60	5.5	..	..	51	48	48	4.00	8.3	11.5	Good average earning power but operates in restricted field. Current return attractive. No early change likely. (A)
Int'l. Business Mach.	12.51	15.0	97	67	118	83	117	8.00	6.8	12.9	Demand for labor saving devices increasing. Strong position. Could pay increased dividend. (A)
Int'l. Comb. Engine	2.42	3.0	27	19	39	22	35	2.00	5.7	8.6	Company increasing range of activities. Outlook encouraging. Early change in dividend probable. (A)
Int'l. Harvester	6.07	7.5	98	66	110	78	109	5.00	4.6	6.9	Came through farm depression in good shape. Long range prospects for increased dividend return favorable. (A)
National Supply	14.67	7.0	68	54	72	54	66	3.00	4.6	10.6	Earnings affected by last year's slump in oil industry. Should do better. In position to increase divs. (A)
U. S. Hoffman Mchy	3.96	3.5	25	13	24	16	25	2.00	8.0	14.0	Specializes in garment-pressing machinery. Doing well. Possibility of moderate dividend increase. (A)
Westingh'se E. & M.	*8.43	*9.21	67	52	71	55	77	4.00	5.2	12.0	Sales slightly lower in 1924 but earnings held up. Good prospects. Could pay larger dividend. (C)
Worthington Pump	5.20	1.0	40	19	81	23	74	...	..	1.3	Machinery business slow. Development of new Diesel engine should increase profits. No dividend in early prospect. (C)

* Actual year ended March 31. † Incl. 5% in special stock. ‡ Little investment value but might rise in sympathy with others in its group.

(A) Attractive
(B) Unattractive
(C) High Enough

Prospective Dividend Changes Among the Utilities

Features of the Recent Situation



THERE will undoubtedly be a few announcements of dividend increases among the larger public utility companies this year, but certainly not a great many. Most organizations are expected to make other disposition of a larger income. In the first place, this year is expected to bring forth a number of voluntary rate reductions which will automatically tend to reduce or else hold profits down to current levels.

Another factor to be considered is the degree to which various companies will issue additional stock rather than increasing the rate on present outstanding shares. It has long been the policy of many of the more prominent organizations to take this latter course. Detroit Edison, for example, would probably merely maintain the present $8 annual rate no matter how great the increase in total net income. There will probably be a score of stock offerings this year in which present stockholders will receive valuable "rights."

Not all companies are expected to report earnings for last year much in excess of present dividend requirements. Recent stock offerings have increased the number of shares outstanding in several cases to a large extent. Where this has occurred, increases in the cash dividend rate appear unlikely.

Position of Tractions

It is interesting to note that among the companies which are likely to increase or inaugurate dividend disbursements, several are traction companies. The Eastern Massachusetts Street Railway Company and other large and prosperous traction organizations whose securities are listed on local exchanges, are expected to pay divdends on their junior stock issues this year. Among those tractions listed on the New York Stock Exchange, Brooklyn-Manhattan Transit is the most likely dividend candidate. This company is surely headed in the right direction even if it should take longer than the next twelve months for stockholders' hopes to materialize.

Summing up, it may be said that this is not likely to be a year of general dividend increases among the listed public utilities, at least not nearly so much as last year. During 1924, the Public Service Corporation of New Jersey, Laclede Gas, Pacific Gas & Electric, Philadelphia Company, Standard Gas & Electric, and Montana Power raised their dividend rates in actual dollars per share paid. This year we may have Brooklyn Union Gas, International Telephone and Telegraph, the Fifth Avenue Bus, while American Water Works, and Virginia Railway and Power are expected to make initial disbursements. All increases this year are problematical, however, and more than half of them possibly may not materialize.

In choosing public utility common stocks for investment at this time, one should give more consideration to the present yield offered and earnings per share in per cent of market price.

Position of Leading Public Utility Stocks

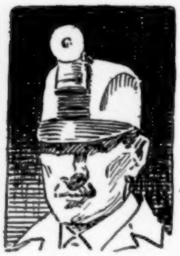
	Earned per share 1923	Earned per share *1924	Price Range 1924 High	Price Range 1924 Low	Recent Price	Div. Rate	Yield %	*Earnings in % of Mkt. Price	REMARKS
American Water Works ...	†$2.70	†$2.60	41	†8	37	...	..	6.9	Recent split-up of stock. May pay small dividend. (C)
American Tel. & Tel.	11.30	10.50	134	121	134	$9.00	6.7	7.8	Is earning more than indicated, but no increase in payments expected. (A)
Brooklyn-Man. Transit......	1.43	5.00	41	13	38	...	..	13.0	No dividends likely this year, but should pay small amount eventually. (A)
Brooklyn Edison	14.40	11.00	124	107	129	8.00	6.2	8.5	An investment security. May eventually disburse higher cash dividend. (C)[1]
Brooklyn Union Gas	9.50	8.40	82	56	79	4.00	5.0	10.6	Could easily pay $5 dividend. (C)
Consolidated Gas (N. Y.)..	9.15	9.35	79	60	76	5.00	6.5	12.2	Could pay more this year, but not likely to. (A)
Fifth Ave. Bus	1.75	2.15	13	9	12	0.64	5.3	18.0	Dividend rate depends on dividends received from N. Y. Transportation Co. Could easily be doubled. (A)
Hudson & Manhattan	2.75	3.65	29	20	26	...	..	14.0	Common dividends not expected this year. Profits not as large as previously estimated. (A)
Interboro Rapid Transit ...	....	2.00	39	12	31	...	..	6.4	Not in financial condition to consider dividends for long while to come. (C)
International Tel. & Tel. ..	8.40	11.00	94	66	93	6.00	6.4	11.8	Rate of $8 annually is understood to be under consideration. (A)
Laclede Gas	15.20	15.00	113	79	115	8.00	7.0	13.0	Present rate likely to be maintained with occasional extras. (C)
Pacific Gas & Electric	10.20	10.00	105	90	104	8.00	7.7	9.6	Fairly attractive as a spec-vestment offering high return. (A)
Niagara Falls Power	2.00	2.30	47	42	46	2.00	4.3	5.0	Last year's estimated earnings tell the tale. (C)
Philadelphia Co.	7.50	6.10	57	42	56	4.00	7.1	10.9	Increased dividend unlikely. (A)
Public Service of N. J.	5.70	5.00	70	39	68	5.00	7.3	7.3	Holder should switch to Consolidated Gas. Present dividend earned by scant margin. (A)
Standard Gas & Electric...	7.75	6.50	41	31	44	3.00	7.0	14.7	Rate could be raised to $4 annually. (C)
Montana Power	4.80	4.30	74	61	69	4.00	5.9	6.2	Paying the limit. (C)
Utah Securities	2.39	2.55	46	16	47	...	..	5.5	No disbursement in prospect this year. (C)
West Penn Co.	6.90	7.80	127	47	111	4.00	3.6	7.0	A subsidiary of American Water Works. See remarks on that company. (C)
Virginia Ry. & Power	5.23	5.25	72	36	66	...	..	8.0	Could easily pay dividends as high as $4 a share. Earnings actually larger than indicated. (C)
Twin City Rapid Transit ...	6.18	4.50	66	39	62	4.00	6.4	7.2	Another reduction likely. Switch to Con. Gas. (B)
Third Avenue	1.82	0.50	18	8	14	...	..	3.5	Holders should switch into Fifth Avenue Bus. (B)
Market St. Railway	....	...	13	6	10	...	..	...	See Third Avenue. (B)
Detroit Edison	11.10	10.70	115	102	114	8.00	7.0	9.3	Present dividend rate is considered permanent, but earnings do not warrant increase. (A)
Columbia Gas & Electric ...	3.70	4.85	48	33	47	2.60	5.5	10.3	Larger disbursement could be made by next year and possibly this year. (C)

* Estimated. † On basis of present capitalization. [1] High enough for time being. Should ultimately sell higher.

(A) Attractive
(B) Unattractive
(C) High Enough

Metal Group on Firm Footing

Outlook for Copper, Lead, Silver and Zinc Companies



THE metal producing companies are looking forward into 1925 with a pleasurable anticipation which has been long lacking in the metal industries. Copper is a strong 15c. a lb., silver is just under 70c. an ounce, lead is 10½c. a lb. and spelter 7⅞c. a lb. On such prices, all of the metal producing companies, properly organized and adequately managed, should be able to show good profits. If these prices are maintained throughout the year it will be but natural to see companies resume dividends whose stockholders have been dividend-hungry for a long time. In addition there should be material increases in the dividend rates of those companies already on a dividend-paying basis.

The copper industry embraces the bulk of the metal producing industry and of copper it may be said that for the first time since the war the outlook for the metal deserves the adjective "roseate." Consumption has at last overtaken production; there are no unwieldy stocks of the red metal in this country, and Europe is expected to take increasingly larger amounts of the metal from now on. The amazing growth of the demand for copper, especially in this country, has been one of the miracles of the industry in recent years. The world is now using at the rate of about 3 billion pounds of copper annually, and that notwithstanding that England and Germany are taking considerably less than their quota. The great development in public utilities, increasing consumptive demand from the automobile, building, radio industries and the like, has brought the total of copper consumed annually in this country to heretofore undreamed-of totals.

Electrical development abroad has nowhere reached the high degree of expression attained in this country, but Europe is progressing rapidly in its electrical age, especially in France and Italy. Settlement of the reparations question will mean that Germany should again become a very large user of the red metal so that the prospects for a large foreign demand for copper this year are excellent. It is of interest to note that if copper sold on a basis comparable with other commodities, it would now be selling well over 22c. a lb.

Copper stocks have shared only to a moderate degree in the general rise in security prices and still have a considerable way to go to catch up with the rest of the market.

The price of lead seems fantastic, as compared with the pre-war lead prices. The average price for the thirty years to and including 1923 was slightly less than 5c. a lb. Present high prices are due to the exhaustion of existing deposits of lead ores and the failure of the industry to develop new deposits to

Position of Leading Metal Stocks

	Earned per share on common 1923	1924 (est.)	1924 High	1924 Low	Recent Price	Div. Rate	Income Ret'n %	Earned in 1924 on Mkt. Price %	REMARKS
American Metal	$3.98	$6.50	54	38¾	52	$3.00	5.7	12.5	Should increase dividend rate this year. Probably to a $4 basis. (A)
American Smelt. & Ref.	8.84	13.00	100⅜	57½	97	6.00	6.1	13.4	Earnings and outlook warrant higher dividends which are likely to materialize. (A)
American Zinc, L. & S.	...	def.	12½	7	12	...	..	...	Doubtful speculation with dividends a long way off. (B)
Anaconda	2.92	3.50	48¼	27½	47	3.00	6.3	7.4	Not likely to increase dividend rate but issue deserves higher market range on improved prospects. (C)
Butte & Superior	...	...	25½	14	23	...	..	...	No dividends likely, but earnings should increase. (A)
Cal. & Arizona	.78	a	58¾	41¾	57	2.00	3.5	...	Issue seems to have pretty well discounted marketwise improved position of company resulting from higher copper prices. (C)
Cerro de Pasco	2.67	5.00	56¾	40¾	54	4.00	7.4	9.2	Intrinsically a sound company. No change in dividend likely. (A)
Chile Copper	2.96	3.00	38⅜	25⅝	36	2.50	6.9	8.3	Better copper price should materially augment earnings and increase prospects for larger dividends. (C)
Chino Copper	.22	b	29	15	26	...	..	...	Chino's identity is now merged into that of Ray Consolidated and there is no incentive to buy Chino stock. (C)
Dome Mines	2.02	c1.00	20¼	11¾	15	2.00	13.3	...	High income return would indicate likelihood of dividend being reduced rather than vice versa. (B)
Federal M. & S.	*4.70	a	64½	41½	62	7.00	11.2	...	Company making good earnings on higher lead and spelter prices. (C)
Granby Con.	...	c1.38	21⅞	12½	20	...	..	...	Costs are still too high. (A)
Greene Cananea	...	a	21⅞	10	19	...	..	...	High cost producer. (C)
Inspiration Con.	1.76	a	33⅞	22⅛	32	...	..	...	Must reduce costs before dividends are renewed. (C)
Int. Nickel	.23	e.31	27⅛	11½	26	...	..	...	Company staging something of a comeback with metal at higher range. (A)
Kennecott	.96	6.00	57¾	34⅛	57	3.00	5.2	10.5	Can increase dividends. (A)
Magma	...	f2.40	45⅝	26⅛	43	...	..	5.5	Dividends are approaching as company should benefit from new and enlarged facilities recently put into operation. (A)
Miami	.24	a	25	20	24	2.00	8.3	...	Increase unlikely at present. Dividend secure. (A)
National Lead	17.38	a	169¼	123½	163	8.00	4.9	...	Earnings somewhat less that for 1923 but sufficient to warrant higher dividend. (C)
Nevada Con.	1.05	g.56	16¾	11⅞	16	...	..	...	No dividend likely. Increase in earnings probable. (A)
Ray Consol.	1.01	h.45	17½	9	16	...	..	...	No dividends likely. (C)
U. S. Smelting	2.78	i4.13	41½	18½	38	...	..	10.8	Doing much better and small dividend could be paid. (C)
St. Jos. Lead	2.65	a	45⅞	22	45	2.00	4.4	...	Could pay somewhat higher dividend. (C)
Utah Copper	6.45	j4.04	88½	64	88	4.00	4.4	...	Ought to do better by its stockholders this year as earnings and financial position warrant larger dividends. (A)

* Preferred stock. a Not available. b See Ray Consolidated. c Six months ended June 30, 1924, before depreciation and depletion. e Six months ended Sept. 30, 1924. f Before depreciation, depletion and Federal taxes. g Nine months ended Sept. 30, 1924, before depletion. h Nine months ended Sept. 30, 1924, before depreciation, depletion and Federal taxes. i Eleven months ended Nov. 30, 1924. j Nine months ended Sept. 30, 1924, before depletion.

(A) Attractive
(B) Unattractive
(C) High Enough

take the place of the old. Lead, therefore, is likely to continue to range high.

Silver has slumped off slightly from the high point of last year but the present price of 69⅝c. an ounce cannot be regarded as unsatisfactory. Practically all of the lead and copper producers turn out silver as a secondary product in varying qualities.

The same influences which have affected the copper market have brought spelter, or zinc, out of the doldrums. Increased foreign demand has mopped up the stocks of spelter abroad and enabled export from this country once more. The zinc productive capacity of this country is still considerably over consumptive requirements but much of that capacity is in disuse at the present time.

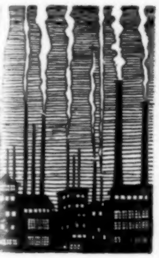
Railroads may spend a billion dollars again this year, much of which will go into steel, requirements for the automobile industry ought to be more stable than they were a year ago, and the construction projects should be at least normal, if not of boom proportions.

Few of the steel companies are faced with financial problems. Some of them, it is true, have been forced to suspend dividends upon common shares during the past two years, notably Bethlehem Steel and Republic Iron & Steel, but most of the companies have been able to keep themselves in a position where it has not been necessary to lean heavily upon banking support. There is no expectation of a tremendous boom in steel during 1925, but statistics given would indicate that the trend is definitely upward both as to volume of production, rate of consumption and margin of profit. Foreign competition in steel products is heard here and there, but it does not seem as if the American manufacturer will be faced with this competition in full force for some time to come—at least not during 1925.

There are of course some steel companies which cannot be expected to pay dividends upon their common shares during 1925, even though the industry probably will do better than it did in 1924, and there are others whose positions may warrant payments upon the junior shares. There are still others which may be able to increase payments to junior shareholders. In the accompanying table, dividend chances of the leading steel companies are set forth with supporting historical data.

Steel Prospects in the Current Year

Rise in Unfilled Orders and Prices —Position of Important Companies



TOTAL pig-iron production in 1924 in the United States was nearly 20% lower than in 1923, standing at between 31,000,000 and 32,000,000 tons, but December production was at the rate of almost 36,000,000 tons a year. In fact, in the last quarter of 1924 it was clearly demonstrated that the trend in the steel industry was upward, and that trend bears more importance to the prospects of 1925 than the fact that total production in 1924 was lower than in 1923. The steel industry underwent one of the sharpest dips on record in the spring of 1924; monthly pig-iron production sunk to 1,785,000 tons in July and that month marked the low.

The unfilled tonnage of the U. S. Steel Corporation, which is considered one of the most reliable indices, on December 31, 1924, amounted to 4,816,676 tons, an increase of 784,707 tons over the total as of November 30, and an increase of 1,629,000 over the low point reached in July.

As of January 1, 1925, 228 blast furnaces were active with an estimated capacity of 98,480 tons a day, against 89,100 tons daily for the 205 furnaces active a month previous. Pig-iron prices dipped below $22 a ton in the summer of 1924, but now trade authorities predict that iron may go as high as $25 during the first half of 1925. Similarly, a stiffer tone to the market for finished products is noticeable, with the average up $2 a ton from the 1924 low, and consumers are more willing to anticipate requirements. Manufacturers have a better command over the market than they had six months ago. Prices are stronger, output is larger, demand is a little more forward-looking and inquiries are wider.

Position of Leading Steel Stocks

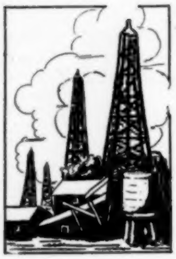
NAME	Per share on common 1923	*1924	1924 High	1924 Low	Recent Price	Div. Rate	Yield %	Earned on Mkt. Price %	REMARKS
Bethlehem Steel	$6.47	$1.75	62⅛	37¾	52	..	..	3.7	Earnings on upgrade, but dividend outlook cloudy. (C)[1]
Colorado Fuel & Iron	1.67	def.	54¼	24¼	48	..	..	...	No indication of payments. Stock strength based on oil possibilities. (B)
Crucible	a5.20	4.54	76	48	76	$4.	5.2	6.0	Present rate assured. (C)
Gulf States	12.80	b 5.47	89¼	62	88	5.	5.5	b 6.2	Increase possible. (A)
Inland Steel	4.08	b 3.44	48¾	31½	47	2.50	5.3	b 7.3	Increase possible. (C)
Penn. Seaboard	def.	def.	4¼	1⅛	3	..	..	...	No payments. (B)
Otis Steel	1.00	def.	11⅞	6¼	10	..	..	...	No payments. Last payment on 7% preferred 1921. (C)
Replogle	def.	b 0.80	23¼	7¼	21	..	..	b 4.0	No payment indicated. (B)
Republic Iron & Steel	15.00	1.50	63⅛	42	62	..	..	b 2.4	Earnings quickly responsive to industry trend. May pay dividend second half 1925. (C)
Superior Steel	6.22	b 1.43	35	23	40	3.	7.5	b 3.5	Present dividend position should be improved. (C)
Sloss-Sheffield	20.22	b13.00	84⅞	52	85	6.	7.0	b15.3	Dividend can be increased. (A)
U. S. Steel	16.42	b10.19	121	94¼	125	7.	5.6	b 8.2	Can pay more than $7. (A)
United Alloy	3.20	* 1.00	37	20	34	..	..	5.0	Dividend resumption favored at rate of at least $2. (C)
Vanadium	1.83	* 2.00	33½	19⅛	30	..	..	6.6	Early dividends improbable. (B)
Ludlum	5.50	2.00	38¼	17	35	2.	5.7	6.0	Dividend increase possible second half 1925. (A)
Youngstown Sheet & Tube	14.93	6.75	72	59¾	74	4.	5.40	...	Increase in $4 rate indicated. (A)

* Estimated. a Year August 31st. b 9 months Sept. 30. [1] Good for long pull but likely to be slow.

(A) Attractive
(B) Unattractive
(C) High Enough

Dividend Prospects Among the Oils

Effect of Wortham Field Production — Optimism Increasing



OPTIMISM is the prevailing sentiment in oil trade circles. While oil stocks are still large, they are in very strong hands, as pointed out in a recent article appearing in this publication. The independents are lean in stocks and the so-called "big people" know how to handle supplies on hand so that they will not unduly depress the oil price structure.

Developments in the new Wortham field have tended to reassure the oil industry. For a while it was feared that this new field would prove a second Powell and that the story of the latter's effect upon oil prices would be repeated. From an early estimate of an output of 100,000 bbls. daily, the total was revised upwards to 200,000 bbls. a day. For a time it was not certain whether the latter figure would be the maximum. Recent reports, however, are to the effect that production in the Wortham field, having crept up to 150,000 bbls. per day, has dropped back to about 135,000 bbls. The Wortham field will be the most quickly developed oil field in the history of the industry. By the beginning of April, it is predicted that this field will have passed the flush production stage. The fear that Wortham will prove a long-continued depressant on oil prices has been pretty well dissipated.

Production in the United States is now running at the rate of about 2,000,000 bbls. per day. Consumption, however, is overtopping production since in the four months, August to November inclusive, stocks of all oil decreased more than 10,000,000 bbls. The demand for gasoline continues very heavy and there is a large export demand for oil products. In spite of the enormous output of gasoline last year stocks of gasoline at Atlantic refineries totaled 46,000,000 gallons on December 1, or about 20% less than at the beginning of the year. As a result the Standard Oil Co. of New York advanced gasoline 2 cents a gallon in New York and New England in the middle of January and this raise was followed by other large marketing companies.

Heavy Demand Continues

Viewing the oil situation in its broadest aspects we find that while there are still large stocks on hand, there is no prospect of any great increase in the present rate of production. Continuation of the present heavy demand for oil and refined products should mean a

Position of Leading Oil Stocks

	Earned per Share 1923	1924 (est.)	1924 Range High	Low	Recent Price	Div. Rate	Income Return	REMARKS
Associated Oil	$3.39	[1]$1.98	34⅝	27½	35	$1.50	4.2	Earnings and prospects warrant larger distribution to stockholders. (A)
Atlantic Refining	def.	[1]3.02	140⅛	78½	105	...	..	Should restore dividends this year. Such action warranted by earnings and financial position. (A)
Barnsdall "A"	.26	[2]1.45	22½	14	24	...	..	Affairs show improvement but dividends not likely in immediate future. (A)
Cal. Petroleum	20.54	[1]2.06	29¼	19½	27	1.75	6.4	No change in present dividend rate looked for in near future. (A)
Cosden	def.	[4]3.67	40¼	22⅝	32	...	..	Earnings show improvement but company in no position to consider dividends at present. (B)
Gen. Pet.	5.60	[3]7.17	45	38⅜	44	2.00	4.5	Strong company making good earnings but likely to maintain conservative dividend policy. (A)
Houston	3.97	[3]5.37	82½	61	79	...	..	Earnings warrant distribution to shareholders and this year may see initial dividends. (A)
Maracaibo	.24	[5]...	37½	24⅝	29	...	..	Slow development of Venezuelan properties has netted small earnings to date. No dividends in sight. (A)
Marland	1.52	[5]79	42	29	43	...	..	Earnings promise little in the way of early dividend resumption. (A)
Mex. Seaboard	def.	[6]3.29	25¾	14⅛	15	...	..	Dividend recently passed. Risky speculation. (C)
Pacific Oil	2.55	[3]2.42	58¼	45	56	2.00	3.5	In a position to do better by stockholders but management very conservative. (A)
Pan American	7.96	6.00	65	44¼	67	4.00	5.9	Excellent earnings but company's expansion policy makes dividend increase unlikely. (A)
Phillips Pet.	3.92	[1]4.16	42½	28½	40	2.00	5.0	Earnings warrant larger dividend distribution which, if decided upon, would probably be in the nature of "extras." (A)
Pure Oil	3.57	[5]...	30¼	20	31	1.50	4.1	Company doing well and not unlikely that present year will see an increase in dividend. (A)
Royal Dutch (N. Y.)	3.60	[5]...	59½	40⅜	53	4.42½	8.3	No change expected in present dividend rate. (A)
Shell Union	1.57	2.30	22¼	15¾	24	1.00	4.1	Strong company which could conservatively increase present div. rate but management conservative. (C)
Sinclair Con.	def.	[7]2.01	27⅛	15	19	...	..	Company needs to build up equities and should not consider dividends at present. (B)
Simms	.51	3.00	24	10⅜	26	.50	1.9	Expected that present year will see larger distribution to shareholders. Earnings satisfactory. (A)
Skelly	1.37	[8]5.90	29	17⅛	26	...	..	No immediate prospects of dividends. (C)
Superior	def.	[9]...	8⅛	2⅜	5	...	..	Affairs involved with Atlantic Refining and earnings do not warrant dividends. (B)
Stand. of Cal.	2.62	[5]...	68½	55½	64	2.00	3.1	Had a good year and could comfortably increase dividend disbursements. (A)
Stand. of N. J.	2.11	[5]...	42¼	33	42	1.00	2.3	No immediate prospects of increase in dividend rate. (A)
Texas Co.	1.24	[3]3.50	45⅜	37¼	44	3.00	6.8	Earnings show sharp recovery but no change in dividend looked for in near future. (A)
Tex. & P. C. & O.	def.	[4]1.50	15¼	8	13	...	..	About breaking even after proper charges against earnings. No dividends in sight. (C)
Tidewater	5.82	[3]7.69	151	116¼	132	4.00	2.9	Earnings very satisfactory and company in position to increase dividends. (A)
Transcontinental	def.	[10]...	6¼	3¼	5	...	..	Reorganization nearer than dividends. (C)
Union of Cal.	8.93	[3]9.70	39	35	39	1.80	4.6	Strong concern and should do better by shareholders this year. (A)
White Eagle	2.93	[4]4.18	29⅜	23⅛	29	2.00	6.8	Earning present dividends comfortably but little likelihood of increase in near future. (A)

[1] First 6 mos. of 1924. [2] First 9 mos. earnings on combined "A" and "B" stocks. [3] First 9 mos. of 1924. [4] First 6 mos. before taxes, depreciation and depletion. [5] Not available. [6] Nine months before depletion and Federal taxes. [7] Six months before Federal taxes and reserves. [8] Nine months before depreciation, depletion and Federal taxes. [9] Nine months deficit $114,154. [10] First nine mos. net profit $117,850 before depreciation and depletion.

(A) Attractive
(B) Unattractive
(C) High Enough

further reduction in accumulated stocks, so that before long the industry should find itself in a comfortable position. Of course one never knows what may break loose next in oil, but judging from the known factors there is considerable to warrant the optimism now prevalent in oil circles.

Oils Have Not Discounted Prospects

In the tabulation which accompanies this article some essential statistics referring to the leadings oils listed on the New York Stock Exchange, are presented. The column giving the percentage earned in 1924 on the recent market price, is omitted for the reason that most oil companies report their earnings before depreciation, depletion and Federal taxes which are deducted at the end of the year when the entire year's earnings are available. Inasmuch as the depletion item, in particular, is exceedingly important and may often turn an apparent profit into a loss, one cannot gauge the year's results with any degree of accuracy until the amount of depletion is known. In a few cases it is possible to estimate the showing for the entire year, but in most instances earnings as reported to date are noted. They at least give the investor some idea of how the company's affairs are running. The oils have not responded marketwise to the same extent as the industrials and those companies which apparently have not fully discounted their earnings and prospects are indicated.

As a whole, the oil-share group has not been inflated in the bull market which developed after the election. Gains have been of a modest order, probably owing to skepticism on the part of the public so far as oil-share prospects were concerned. Nevertheless, the oil industry is on different ground than last year and revision of public attitude toward these securities is in the making. This should not be taken to signify that all oil stocks are in a sound position. A glance at the following table will show that regardless of the generally favorable outlook, quite a number of these stocks are in an unattractive position.

1925 and Leading Tire Companies

Improved Position of Industry—Outlook for Shares

It has been said more or less seriously that tire manufacturers have been trying to produce as many tires as factories could turn out, irrespective of dealer and consumer demand, as well as the margin of profit. The result has been a decreasing margin of profit which, in some cases, almost reached the vanishing point, increasing inventories and too large bank loans.

The first half of 1924 was not good, but a turn for the better came in the late summer, and since then the tire business has shown measurable improvement, and this improvement has not been at the expense of an increase in stocks in secondary hands. To many of the tire companies the improvement did not mean the immediate restoration of share balances, but did mean an opportunity to decrease bank loans and end the 1924 year in a substantially stronger liquid asset position.

Preliminary figures indicate that tire production in 1924 was about 48,000,000 tires against 45,000,000 in 1923. As of October, 1924, stocks of tires in dealers' hands showed a reduction of perhaps 30% from the totals of the spring, and similarly, stocks of tires in the hands of manufacturers were down perhaps 40% from the early spring. The last four months of 1924, however, was a period of heavy production on the part of tire manufacturers, but, even so, the industry went into 1925 with stocks normal and also with the prospect of price stability in 1925—something of which the industry is sadly in need.

As a matter of fact, the trend in tire prices, if anything, is toward higher levels, and it would cause no surprise to hear of an increase of 10% during the early months of 1925.

Ordinarily, the first quarter of the year is the best from a sales standpoint, and the tire manufacturers have entered this period with normal stocks, with a promise of price stability, if not higher prices, with bank loans reduced and with an absence of that attitude which has led to some unfortunate competition during the past two years.

1924 was a year of rising prices for crude rubber. Imports were heavy and yet at the end of the year supplies of crude rubber were probably 50% less than supplies on hand at the beginning of 1924.

While the rubber stocks are governed principally in their market trend by the state of the tire industry, the rubber footwear and mechanical goods business is also a factor, especially in the case of companies like U. S. Rubber, Goodrich and Goodyear. Factory operations for the production of rubber goods, other than tires, are being speeded up with an increase in forward orders on the part of dealers.

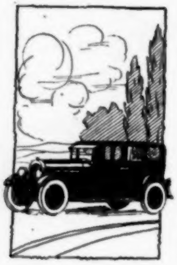
Admittedly, there is a mixture of conditions in the tire industry. Some companies are at the point where good business in the first quarter of 1925 will mean dividends. Others are not in a position to institute dividends upon the common stocks, but are at a point where they can pay off accumulations on preferred stocks and thus restore the junior shares to their proper relation to share surpluses. Others, like Goodyear, will probably seize the opportunity to consolidate funded debt at a lower interest rate, and in this way improve the position of share capitalization. The accompanying table outlines the positions of the leading companies listed upon the New York Stock Exchange with remarks designed to indicate dividend prospects.

Position of Leading Tire Stocks

NAME	Per share on common 1923	*1924	1924 High	1924 Low	Recent Price	Div. Rate	Yield %	Earned on Mkt. Price %	REMARKS
Ajax	def.	$0.90	14½	4½	13	..	..	7.0	Small dividend possible second half 1925. (A)
Fisk A	b$13.72	14.49	86	38⅛	84	..	..	17.3	Early resumption on first preferred indicated at 7% rate with subsequent reduction of accumulations. (C)
	c0.69	0.79	13⅞	5½	13	..	..	6.0	
Goodrich	0.66	7.00	38½	17	42	..	..	16.6	Dividend on common anticipated at least $4. (A)
Goodyear	d7.90	e6.10	d90⅝	39	92	..	..	f14.1	Plans on foot to readjust capital and declare dividend on preferred with settlement of accumulations. (A)
Kelly	def.	def.	35	9¾	17	..	..	...	Dividend resumption not in sight. (B)
Lee	def.	def.	17⅛	8	13	..	..	...	Payment improbable. (C)
U. S. Rubber	2.30	5.00	42⅞	22½	44	..	..	11.4	Preferred dividend position strengthened, but financial position militates against early common payment. (A)

* Estimated. a Year Oct. 31st. b On 1st Preferred. c On common. d 7% cumulative preferred. e In first 6 months, 1924. f Indicated rate.

(A) Attractive
(B) Unattractive
(C) High Enough



Saturation Point Reached in the Motor World?

Outlook for Important Motor Car and Accessory Manufacturers

TAKING the motor industry as a whole, the aspect is fairly encouraging. The public's purchasing power remains intact. Wages are still at peak levels, broadly speaking, and expansion in basic industries keeps employment high. On the other hand, automobile price cuts have been quite general. Sales should be stimulated by these conditions and the volume of first and second quarter business seems likely to increase.

Inventories, which were of menacing proportions at the close of last spring, are now practically 'normal." That is, there exists less need for restriction of output for the purpose of permitting sales to catch up with production. The anticipated expansion in demand should bring a resultant gain in manufacturing schedules, acordingly. This, in turn, means falling overhead expenses. Hence, while material costs have been rising and selling prices are down, earnings are likely to be satisfactory for the strongly entrenched companies. They may not be as large, on the average, as those for the first quarter of 1924, but should be satisfactory enough to allow some dividend increases.

Price reductions have not been made entirely at the expense of profits, owing

Position of Leading Motor and Accessory Stocks

Company	Earned $ per Share 1923	Earned $ per Share 1924 (est.)	Price Range 1923 H.	Price Range 1923 L.	Price Range 1924 H.	Price Range 1924 L.	Recent Price	Div. per Share	Yield %	Earned % on Mkt. Price	REMARKS
Chandler Motor	7.34	4.5	73	46	66	26	33	$3.00	9.1	13.7	Has been losing ground in recent years. Financial position weakened. Present dividend seems insecure. (B)
Chicago Yellow Cab	*5.20	5.5	*64	57	61	39	54	4.00	7.4	10.2	Over-rated. Dividend speculative. (B)
General Motors	*10.68	7.5	70	51	66	55	73	5.00	6.9	10.3	Solidly entrenched. Inventories reduced, working capital increased. Could pay larger dividend but no early change likely. (C)
Hudson	†6.67	¶6.1	32	20	36	20	35	3.00	8.6	17.4	Well managed company. Has developed good earning capacity. Increased dividend rate probable. (A)
Hupp Motor	3.97	1.7	30	15	18	11	17	1.00	5.9	10.0	New eight cylinder models stimulate sales. Present dividend well protected. Could pay more. (C)
Jordan Motor	*4.64	7.0	*31	*19	52	21	49	3.00	6.1	14.3	Doing very well. New models popular. Prospect for larger dividend disbursement. (C)
Mack Trucks	18.59	17.0	93	58	118	75	123	6.00	4.9	13.8	Branching out into motor bus field with success. Outlook good. Could pay more liberal dividends. (C)[1]
Maxwell Motor "A".	8.00	29.0	63	36	84	38	80	...	..	36.2	Staging remarkable come-back. Chrysler models in strong demand. Class A shares in line for full $8 dividend. (C)
Moon Motor	4.65	4.0	29	17	27	17	24	3.00	12.5	16.7	Small company doing fairly well. Dividend position speculative. (C)
Nash Motor	28.00	¶29.95	114	75	204	96	280	§7.00	3.3	10.0	Experiencing extraordinary demand for 1925 models. Excellent earnings. Probably continue to pay substantial extras. (C)
Packard Motor	‡2.97	¶1.54	15	9	16	9	16	§1.20	7.5	9.6	Company in strong financial position. Good earning power. Could continue disbursements of extra div. (C)
Pierce-Arrow 8% pfd	2.47	5.5	35	13	54	18	48	...	..	11.5	Recovering from troubles of last few years. Earnings and financial position improving. No early dividend in prospect. (A)
Studebaker Corp. ...	23.06	7.5	*50	*37	46	30	45	4.00	8.9	16.7	Company's sales helped by introduction of new models. Could pay more liberal dividend but seems unlikely to do so. (A)
Willys-Overland pfd.	59.11	12.0	83	42	88	61	75	...	..	15.7	Inventory and other adjustments reduced earnings for last half year. Outlook good. Dividend resumption possible. (A)
Yellow Cab Mfg. "B"	6.62	4.5	..	..	85	32	41	2.52	6.1	10.9	Going into manufacture of light commercial trucks to offset slump in taxi business. No early change in div. expected. (C)

* On basis of present capitalization. † Year ended Nov. 30. ‡ Year ended Aug. 31. § Exclusive of extras. ¶ Actual.

Company	Earned $ per Share 1923	Earned $ per Share 1924 (est.)	Price Range 1923 H.	Price Range 1923 L.	Price Range 1924 H.	Price Range 1924 L.	Recent Price	Div. per Share	Yield %	Earned % on Mkt. Price	REMARKS
Amer. Bosch Mag....	1.55	1.5	60	22	38	22	42	...	..	3.5	Making progress slowly. Financial position improved but dividends still well in the future. (C)
Continental Motors ..	1.08	1.5	12	5	8	6	10	$0.80	8.0	15.0	Will benefit from probable increase in motor car production during next few months. No change in dividends indicated. (C)
Eaton Axle & Spring	1.61	0.9	27	20	24	8	14	...	..	6.3	Financial condition sound. Should do better, but dividend prospects not especially encouraging. (B)
Elec. Storage Battery	9.03	7.0	67	52	66	50	67	*5.00	7.5	10.5	Large equities back of common stock. Radio business taking up slack in automobile division. Extras should continue. (C)
Fisher Body Corp...	†‡8.10	‡§8.90	†50	†35	†60	†40	†80	5.00	6.3	11.1	Old stock split four for one, dividend disbursements doubled. Benefitting from consistent expansion in demand for closed cars. (C)
Hayes Wheel	6.61	3.5	44	31	52	32	40	3.00	7.5	8.8	Earnings for 1924 reflect let-down in automobile business. Should do better. No change in dividend likely. (C)
Kelsey Wheel	15.84	12.0	117	75	104	76	96	6.00	6.3	12.5	Has been ploughing back generous share of earnings in the business. Profits relatively stable. In position to increase dividend. (C)
Martin-Parry Corp...	6.53	4.5	37	26	37	31	35	4.00	11.4	12.8	Sound financial position. Demand for commercial bodies fairly good. Dividend position rather speculative. (A)
Reynolds Spring ...	1.46	1.0	29	15	22	9	17	1.00	5.9	5.9	Earnings leave practically no margin over dividend requirements. Should do somewhat better but position speculative. (C)
Spicer Mfg.	2.66	2.0	27	11	20	7	18	...	..	11.1	Should be helped by expansion in automobile manufacturing activities but doubtful that dividends will be paid. (C)
Stewart-Warner Spd.	14.11	7.5	124	74	100	48	76	5.00	6.6	9.9	Good financial condition. Improvement in motor industry should help. No early alteration in dividend policy in prospect. (C)
Stromberg Carburetor	11.62	8.0	94	59	84	54	75	6.00	8.0	10.7	Same as Stewart-Warner. (C)
Timken Roller Bear'g	6.75	4.0	45	33	41	31	40	*3.75	9.4	10.0	Strong financial condition. Can pay extras. (A)

[1] High enough for time being. Should eventually sell higher.
* Including extras. † On basis of present capitalization. ‡ Year ended April 30. § Actual.

(A) Attractive. (B) Unattractive. (C) High Enough.

to greater operating economies. They focus attention upon the highly competitive state of the industry, however. This situation emphasizes the need for sound financial policies and liberal working capital. Moreover, public fancy is fickle. Automobile managements must not only be alert to shifting business prospects, but also to changes in the popular taste.

It is evident that something like a saturation period has been reached in the industry for the time being.

The weaker companies may be carried along, for a time, by the rising tide of improvement. These companies, nevertheless, are beginning to find the up-hill struggle increasingly beyond their strength. More of them will doubtless disappear from the field during the current year. The prospective buyer should, therefore, exercise extreme care in reaching commitments.

Makers of parts and accessories prosper or despair as the motor industry improves or slumps. The period of manufacturing curtailment of the past year affected the earnings of such companies intimately. There has been a change for the better of late, however. Automobile manufacturers have been stocking parts and materials more freely in expectation of larger spring business. This should lead to more active operations and firm price tendencies in the accessory field. As seems to be the case with motor car makers, earnings should be satisfactory but will scarcely approach the levels of two years ago.

The accessory group contains securities that cover an even wider range of speculative flavor than the motor stocks. There is an ever present tendency of automobile companies to invade the field. In other words, customers of these companies may, conceivably, become their active competitors. The smaller concerns are most vulnerable in this respect, hence such issues are apt to be attractive only for short intervals.

The large producers, by virtue of strong connections and diversified output, are in much the better position. Though net earnings were lower last year than in the year before, the financial status of most companies underwent further improvement. Having no funded debts and being relative free from bank loans, a period of expansion is apt to be translated quickly into more liberal dividend returns on the part of such accessory makers.

For Feature Articles

to Appear in the

February 14th Issue

See Page 563

Preferred Stocks

COMMON stocks were reactionary with some very sizeable declines in a number of issues, but this had no effect on investors who at last realized the opportunities available in the preferred share list. Prices for senior stocks were distinctly higher, with very substantial gains among such issues as American Smelting, Steel Foundries, Chicago & Northwestern, Bethlehem Steel, Allis Chalmers, Fisher Body of Ohio, etc. However, the greatest gains were shown by the speculative railroad issues in the Guide. Gulf, Mobile & Northern sold at over par, up 5 points, and Western Pacific preferred jumped 10 points to 94. Another strong spot was American Sugar Refining preferred, which crossed 98, as a result of the information from the management as to the actual asset value of the stock. There are a number of attractive opportunities available among preferred shares in their respective divisions and we suggest those listed in the Guide as worthy of consideration on the part of conservative investors.

PREFERRED STOCK GUIDE

(LISTED IN ORDER OF PREFERENCE)

These Stocks Are Selected as Offering Best Opportunities in Their Respective Classes, Taking Into Consideration Assets, Earnings and Financial Condition of the Companies Named.

	Div. Rate $ per share	Approx. Price	Approx. Yield	†Divid'd Times Earned
Sound Investments				
INDUSTRIALS:				
Mack Trucks, Inc., 1st................(c.)...	7	106	6.6	(y)2.8
General Motors Corp...................(c.)...	7	106	6.6	(y)5.1
Cluett-Peabody & Co...................(c.)...	7	103	6.8	4.7
Loose-Wiles Biscuit Co. 1st...........(c.)...	7	108	6.6	3.3
Studebaker Corporation ....(c.)...	7	114	6.1	20.0
Schulte Retail Stores Corp............(c.)...	8	112	7.1	(w)10.0
Gimbel Brothers, Inc..................(c.)...	7	104½	6.7	3.3
Baldwin Locomotive Works..............(c.)...	7	116	6.0	4.4
Endicott-Johnson Corp. ....(c.)...	7	113½	6.1	4.6
American Smelting & Ref. Co...........(c.)...	7	110	6.4	1.7
American Steel Foundries..............(c.)...	7	110	6.4	6.0
U. S. Industrial Alcohol Co...........(c.)...	7	106	6.6	6.4
PUBLIC UTILITIES:				
North American Co.....................(c.)...	3	46½	6.4	(w)8.9
Philadelphia Company..................(c.)...	3	46½	6.4	5.6
RAILROADS:				
Chicago & Northwestern................(c.)...	7	116	6.0	...
New York, Chicago & St. Louis.........(c.)...	6	91	6.6	(x)2.5
Chesapeake & Ohio conv................(c.)...	6.50	108	6.0	6.9
Middle-Grade Investments				
INDUSTRIALS:				
Bush Terminal Buildings Co............(c.)...	7	98	7.1	1.1
Coca-Cola Co. ....(c.)...	7	99	7.1	(x)5.1
Brown Shoe Co.........................(c.)...	7	97	7.2	2.2
Bethlehem Steel Corp. conv............(c.)...	8	112	7.1	3.8
Cuban-American Sugar Co...............(c.)...	7	98	7.1	6.4
California Petroleum partic. pfd......(c.)...	7	103	6.8	1.3
American Ice Company.................(n.c.)...	6	79	7.5	2.2
Armour & Co. of Del...................(c.)...	7	93	7.5	(x) 2.9
Allis-Chalmers Mfg. Co................(c.)...	7	106	6.6	2.8
Associated Dry Goods Co. 1st..........(c.)...	6	94½	6.4	3.0
Genl. American Tank Car Co............(c.)...	7	99	7.1	5.4
Natl. Cloak & Suit Co. ....(c.)...	7	100	7.0	...
PUBLIC UTILITIES:				
Radio Corp. of America A pfd..........(c.)...	3.50	50	7.0	(w) 2.5
Amer. W. Wks. & Elec. Corp. 1st.......(c.)...	7	102	6.8	(x) 2.2
Metropolitan Edison ....(c.)...	7	99	7.1	...
Public Service of N. J................(c.)...	8	112	7.0	(y) 3.4
RAILROADS:				
Baltimore & Ohio... ....(n.c.)...	4	66	6.0	...
Bangor & Aroostook....................(c.)...	7	94	7.5	2.5
Colorado & Southern 1st pfd.........(n.c.)...	4	61½	6.5	6.2
Semi-Speculative Investments				
INDUSTRIALS:				
Famous Players-Lasky Corp.............(c.)...	8	108	7.4	(y) 5.7
Pure Oil Co. conv. pfd................(c.)...	8	104	7.7	3.5
American Beet Sugar Co..............(n.c.)...	6	87½	6.9	1.8
National Department Stores............(c.)...	7	100	7.0	4.0
Fisher Body Corp. of Ohio.............(c.)...	8	105	7.6	...
Austin, Nichols & Co......................	7	90	7.7	(w) 1.5
Worthington Pump & Mfg. "A"...........(c.)...	7	88	8.0	2.0
Orpheum Circuit ....(c.)...	8	99	8.1	(w) 2.5
International Paper Co.................(c)...	6	74	8.1	1.75
PUBLIC UTILITIES:				
Amer. Water Wks. & Elec. 2d pfd...(n.c.)...	6	96	6.3	(w) 1.8
Speculative Investments				
RAILROADS:				
Chicago, Rock Island & Pac..........(5%)...	*7	94	7.4	(x) 1.35
Gulf, Mobile & Northern...............(c.)...	6	97	6.2	(w) 1.25
Western Pacific.......................(c.)...	6	92	6.5	(w) 1.00

(c) Cumulative. (n.c.) Non-Cumulative.
(w) Average for last two years.
(x) Average for last three years.
(y) Average for last four years.
(z) Stock was issued this year.

* Based on average earnings during past six years.
† Average number times earned last five years.

What's Your Method?

MANY ingenious methods of saving money have been devised, and new ones are being devised every day.

One man we know of keeps as the only time-piece in his bedroom a little clock with a slot in it that has to be fed a coin before it can be wound.

Another carries around with him one of these tubular "dime-banks" that used to be so popular and makes it a practice to deposit therein every dime he receives in change. (This is a pretty "expensive" plan, by the way. If you stop to figure how often dimes are included in change, and how frequent the need for change must become under this policy, you will see how dime-saving on this plan can mount up into several hundreds of dollars within a very short time.)

An editor friend of ours contents himself with never spending pennies that he receives in change. He says he and his wife accumulate from $3 to $10 a month in this way alone.

Many families have "swear boxes," in which any member who resorts to profanity is required to deposit an agreed-on forfeit. In some homes, they say, this system works remarkably well, particularly along spring house-cleaning time.

Other ideas, some of them we've seen, others we've just heard of include: A "quarter-lock" on the wine cabinet; the practice of stowing away every bank-note received bearing a certain distinctive serial number; a "jig-toy," vastly amusing to the baby (preferably, the only toy that *will* amuse him) which won't jig unless you drop a nickel in the slot; pin-money boxes, in which the house-wife deposits, to her own credit, whatever she manages to save on her household allowance (with the understanding that she mustn't starve the family); and so on.

Of course, none of these plans is fool-proof. No one of them, nor any plan like them, could make a saver out of a waster or a builder out of a spendthrift. Still and all, they're worth telling about if only to illustrate the increasing importance old-fashioned Thrift is assuming in people's lives—and also to illustrate the growing realization that it's better to trick yourself into saving money than never to save it at all.

What's your scheme?

How a Few "Ordinary Fellows" Helped a Town

What They Did to Encourage Home-Owning and How They Did It

By J. B. L.

The Editor,
Dear Sir:—

The wife suggested that I write something for your prize contest. I protested that I had no subject. She said, "You are always boosting the Building and Loan Association and deploring the woeful ignorance of the average man. Write very simply to 'the average man' who reads 'THE MAGAZINE OF WALL STREET.'" *She had "listened in" the night before when a prosperous insurance man had told me building and loan associations were "no good"; his wife's aunt had lost* $1,000 *in one twenty years ago, but it was still a sacred memory in the family! And, by the way, I had the privilege of introducing him to* THE MAGAZINE OF WALL STREET *then and there, though I had to "show him" as he shied off from the "Wall Street," but he left me a firm friend of the magazine, vowing to buy it.*

An amusing incident displaying popular ignorance of B. and L. Assns. occurred here four years ago when our association started. A wealthy man, the second wealthiest in town—we wanted his name for prestige—was persuaded to take out ten shares of stock, paying $10 *a month. After a few months he insisted upon drawing out his money. I don't know what he'd "heard," but he was worried, and he's an active business man, not old. The next night I ran an article in the local paper emphasizing the Safety of money so invested. In a few days he was back to reinvest! Amazing, but true! We had considerable prejudice to combat at first. I am also enclosing a few lines on how our association was organized—the steps necessary to such a consumation—thinking it might aid another community in need of help along these lines.*

Very truly,

J. B. L.

IN the year 1918, the housing situation in my town became very bad. An important industry had boomed with the war, bringing many new people here for whom there were no houses. Up to this time, building materials, land and labor had all been exceptionally cheap—the town is really only a spreading village, and there is still plenty of room to expand. But in 1918 all the rented houses of the town were in the hands of a few wealthy men who kept boosting the rents in spite of the large return they were already getting on their original investment. No new houses were going up then because the cost of building had suddenly jumped sky high, and none but the rich could afford to build. Of course this situation was not unique in the United States, but it was the cause of what followed here. At last a few loyal townsmen, just ordinary, worthy men, who desired their town to benefit by the wartime boom, and who wanted to help the housing situation, got together to see what could be done. Some one said, "We are inexperienced in this matter. Let's get in a housing expert and see what *he* can suggest."

So they called in an expert, and invited all who would to come and hear him. This man gave a wonderful talk, well bolstered with statistics, rates, percentages, etc., but treating the situation from the *city* point of view, where space is limited and building operations always have been, and always will be, high. He quoted glibly wartime rents, valuations and percentages of return that applied to New York and Philadelphia. In short we had *too much* expert advice, and not enough understanding of the situation at hand. As the result of this, the rich men of town did not hasten to build, tempted by the bait of higher rents, but they could hardly get home fast enough to place city values upon their small-town properties, and send out notices of a wholesale boosting in the rents to correspond. To take only one example: the man who had worked the hardest to help the town lived in a poorly equipped house that had originally cost under $3,000 and rented for $30 a month (recently raised from $25), had the value of his house raised to $6,000 and his rent jumped to $60 a month at one fell swoop!

Then these men who had wished the town well, cast about in desperation for some other way out.

The Way Out

The decided to start a building and loan association to encourage *saving* and building. This association has been running successfully for four years. In that time it has handled over a hundred thousand dollars, with no losses, and little expense—the secretary, at $25 a month, being the only paid official so far. As the business grows more can be allowed in the expense line to care for it. You see they are all just *little fellows*, helping *other little fellows* along. The treasurer is a druggist, and the executive group includes a grocer, a dentist, a shop foreman, a bookkeeper and so on—all men in moderate circumstances. The association is, of course governed by the banking laws of the state (Pennsylvania), and the officers are all bonded. They exercise great care in lending money, but no one worthy is turned down. They incline toward small loans for small fellows at present. The outstanding loans now total more than $50,000, ranging from $100 to $5,000, most of them under a thousand. All loans are secured by first mortgages on real estate located in the immediate vicinity, whose value is well known to the di-

HAVE YOU A "B. & L." ASSOCIATION IN YOUR TOWN?

If not, and you want to start one, this article by "J. B. L." will give you an idea of some of the requirements involved. Read it—you will enjoy it!

rectors. The association is earning over six and a half per cent.

Through the encouragement of the Building and Loan Association many houses have been improved and many people are building who would not likely have done so without its help. Last week an application came in for a ten thousand dollar loan to turn a large, old building into small suites and rooms for transients, as such accommodations are at present overtaxed. This is a large sum for us but will probably be granted because the need is so great and it will help the town so much. Several new plots have been opened on the edge of the town largely through the agency of officers of this association. With its success, confidence in the association has grown and the saving spirit has been encouraged. Yesterday a mechanic applied for $1,200 worth of paid-up stock. This gives a double benefit—a larger return to the mechanic than he would get in the bank, and it furnishes a loan to some other fellow in time of need.

We feel that the power of the big fellows (the rent hogs) will soon be broken. Already some of them are selling real estate. The town has taken on a new lease of life, a new spirit, and bids fair to double its population in the next decade.

The Building and Loan Association has done a great deal for our town. It is a great institution if well managed. It keeps money in the town. It makes for better homes—with better living conditions—an improved community spirit, and a better citizenship.

Organizing Our Association

The first step in the organization of our Building and Loan Association was the appointment of a committee to draw up the constitution and by-laws, and arrange to secure a charter from the state. Copies of by-laws were secured from other associations, and the committee adopted the *best features of each*, taking into consideration local conditions.

At the call of the committee, a meeting of all those interested in the formation of the new organization was held. The constitution was adopted and permanent officers elected, consisting of a President, Vice-president, Treasurer, Secretary, and eleven directors, making the board total fifteen, all from the ordinary walks of life.

After the organization we began the selling of the stock. Each director had to own at least ten shares. This was the nucleus. The townspeople were solicited and some subscribed in amounts from one to twenty shares, none larger. In a course of a few months enough money accumulated to take on the first loan.

This loan happened to be for the erection of a new house by a mail carrier of the town. He owned the lot and had about a thousand dollars in cash. The association advanced him the amount needed, $3,500, paying the money in instalments as the building progressed. Not having enough money in the treasury to complete the loan, then, they borrowed from a local bank. You notice the small way in which we began.

In the meantime more and more stock was being sold, so that in the course of two years the monthly income approached $1,000. More loans, all for small amounts, were granted.

Here is a typical small loan: Mary More wanted $400 with which to build a front porch and make minor repairs. She filled out an application blank, stating the amount desired, and the location and nature of the property offered as security for the loan, and paid the regular application fee of three dollars required for the services of the appraisal committee—our custom is to turn it into the treasury. The application was read at the regular monthly meeting of the directors and formally placed in the hands of the appraisal committee—three directors who were in close touch with real estate values.

At the next regular meeting the committee reported Miss More's land worth $500 and the building worth $1,500, and recommended that the loan be granted. The solicitor found the title clear and the insurance satisfactory—Miss More paid his fee—and the $400 was turned over to Miss More. The treasurer now held the insurance policy, first mortgage, and the deed to her house, amply securing the association against loss. Miss More became a stockholder in the association to the extent of two shares and she pays $4 a month thereby clearing off loan and interest. In about twelve years, when the stock matures, her property will be free from encumbrance.

Helping Friends and Neighbors

Many of our loans are of this nature. Property owners in humble circumstances, anxious to improve the appearance and general utility of their properties, find the Building and Loan Association a great convenience. We are only four years old but have made rapid strides, especially in the last year. All of the $100,000 we have handled has been used to improve the housing situation, and the living conditions of our friends and neighbors.

Making Endowment Insurance Your Base

The Advantages It Offers in Any Personally Conducted Investment Program

By L. K. PORRITT

I DO not own a bond.

Neither have I a share of high-grade preferred stock, a first mortgage or a guaranteed stock.

Yet in spite of these deficiencies, I have what I believe might honestly be called a well-balanced investment program.

If every investor fully understood what a back-log Endowment Insurance constitutes, thousands of new policies on this form would be taken out tomorrow.

Starting at the Wrong End

When I started out to "BMFI", I started at the wrong end—with common stocks. High grade bonds or preferred stocks left me cold. They were merely loans, with more or less fixed values. True, they might appreciate considerably as interest rates on money declined; but there was a limit to their appreciation. A well-chosen common stock, on the other hand, represented a partnership in what I believed to be a profitable and growing business and held the possibilities of a far greater increase in value.

But I had read THE MAGAZINE OF WALL STREET long enough to know that what may go up may also come down. In addition to this, I was brought up in a New England town, many of whose leading citizens had been badly burned by investing too much in New Haven common. So I well knew that any investment program made up entirely of common stocks, no matter how carefully chosen, could never enjoy a high safety rating. It would be long on yield; but short on security. Something had to be done to increase the margin of safety.

Had I consulted a broker he would have probably advised me to sell some of my more speculative commons and buy some good utility or railroad bonds, or Standard Oil, Western Electric or some similar preferred. But I don't like to make any purchases solely on the advice of a broker. I prefer to get all possible information from other sources first, and then if it agrees with his statements, to go ahead. But I hadn't the time and energy to go into the study of preferred stocks and bonds. Trying to keep in touch with the various industries in which I was a partner kept me busy.

"Why not let long-term endowment insurance build up the safety factor in my investment program?" it suddenly occurred to me. Insurance was my business. I knew it well. Next to a U. S. Government bond, I could think of no investment safer than a long-term endowment policy in the strong, reliable company with which I was connected.

An Appealing Idea

The more I thought it over the more it appealed. Long term endowment insurance was absolutely the only investment that I knew of, that I could purchase, pay for by small monthly, quarterly, semi-annually or annual deposits, slip into my safe-deposit box *and forget.* Such a plan would enable me to devote my attention to my common stocks without the fear of waking up some morning to find that all the gilt had been rubbed off the edge of some of my previously-considered high-grade bonds.

Another advantage of this plan was that if I didn't live to collect that money myself at 60 or 65, the full sum of money that I had planned to save would be paid immediately to my family, even though I had not had the chance to deposit more than one-tenth or one-twentieth of its face value. And no matter what business conditions might be, or how low or how high the interest rates were on money, these "bonds" which my death had caused to be "called" would be paid by the insurance company at the rate of one hundred cents on the dollar.

Another factor influenced my decision. There is in me a streak of gambler blood. Quite a common occurrence, I understand. Had I placed the "safety" part of my surplus funds in high-grade bonds or preferred stocks, sooner or later chance would throw in my path what appeared to me as the "great opportunity." Perhaps it might be a real opportunity to clean up. Perhaps it might not. But almost certainly it would not be of a nature to justify placing all my eggs in one basket. Yet if these high grade securities were in my safe deposit box and could be converted into cash by merely laying them on the broker's counter—the temptation might prove too great. But if that backlog for my old age was tied up by an insurance policy and safe in the vaults of the insurance company, it would be much more difficult to reach. I'd think twice before depriving my family of the protection it represented. I'd probably content myself with risking only the sum I could afford to risk on the "great opportunity," instead of hazarding everything I owned. In other words it's a whole lot harder to convert endowment insurance into ready cash at short notice, than it is bonds or preferred stocks—and there are times when the more inaccessible your cash is, the better off you are.

A Rational Investment Program

Influenced by these arguments, I purchased my first endowment policy and laid the foundation for a rational investment program. That was four years ago. I was twenty-five at the time, and the insurance could be purchased very advantageously at that young age. Here is how that plan has developed to date:

(1) The Safety Division of My Program:

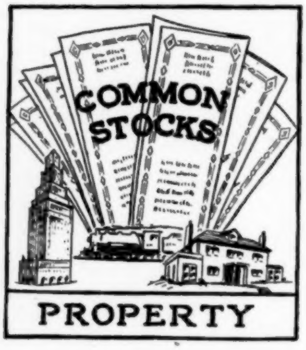
Yielding a very small return (3-3½% interest) but justifying this return by the protection and high degree of safety it affords:

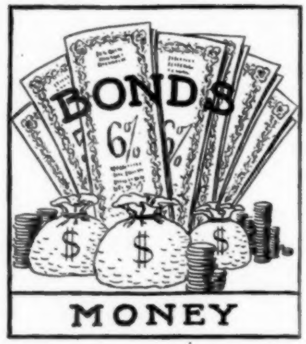
$5,000 Endowment Insurance, maturing at age 60.

$10,000 Endowment Insurance, ma-

(*Please turn to page* 599)

When Are Stocks Better Than Bonds?





How the Two Types Compare Under Varying Economic Conditions—When Are Bonds the Better to Hold?

(Note: Here is a little study in elementary economics. It is offered to Income Builders not so much with the idea of exhausting the subject covered, as to suggest new lines of thought and investigation. If you like articles of this type, write BYFI and tell us so.)

MANY people still cling to the belief that Bonds, simply because they are bonds, are better and safer investments than common stocks.

This belief had its origin in the early days of finance—

When, in a large number of cases, Common Stocks represented little more than so much capitalized good will—

Whereas, the Bonds of the time represented more or less specific property value, generally well in excess of the total amount outstanding.

Take, for example, the Steel Corporation of a generation ago. Its Bonds were backed by known and secure property values. Its Common Stock, on the other hand, represented just so much water.

It was natural, under such circumstances as these, that Bonds should have been looked upon with greater favor than Common Stocks.

Times Have Changed

"All things change, and we change with them!" says an old Latin proverb.

Nowhere is this saying more applicable than in the world of finance—

Where what was true yesterday is distinctly untrue today—

And where time has wrought a metamorphosis undreamed of even by the fathers of those still living.

One of the most striking changes has occurred in respect to the comparative investment appeal of Bonds and Common Stocks.

Today, corporations like U. S. Steel, American Telephone & Telegraph, General Motors and others can show many dollars of real—and largely liquid—assets piled up behind their common stocks;

They can show an earning power, over and above bond requirements (if they happen to have bonds outstanding), which makes interest requirements look small by comparison.

Thus, at least in the case of the more strongly established of our corporations, the day of the "waterlogged" Common Stock has passed;

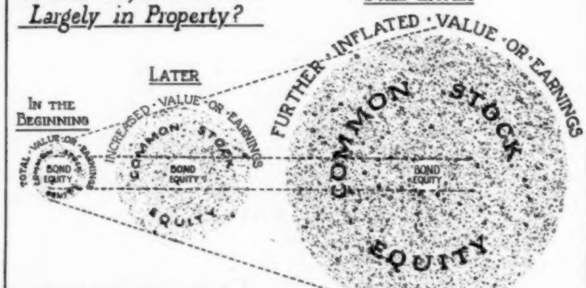
And a new day has dawned in which, two specific factors considered, many Common Stocks may be said to have been proven to be, in the recent past at any rate, better investments than their related Bonds.

What are these "two specific factors"?

The Points of Difference

The first factor has lain in the fundamental difference which exists between Bonds and Common Stocks. Here is that difference:

Is This Why Ford Invests Largely in Property?



Or, How Bonds Fare by Comparison with Common Stocks When Earnings and Values Rise.

Take a property worth **$500,000** *five years ago, earning* **$50,000** *a year and capitalized with* **$300,000** *6% bonds and* **100** *shares of common stock:*

The equity of the Bonds in property value was **$300,000** *against* **$200,000** *for the stock.*

The equity of the Bonds in earnings was **$18,000**, *against* **$32,000** *for the Stock.*

Assume that the same property today is worth **$1,000,000**, *and that it is now earning* **$150,000** *a year:*

The equity-in-property-value of the Bonds is still **$300,000**. *But the Stock's equity has risen to* **$700,000**.

The equity in earnings of the Bonds is still only **$18,000**. *But the stock's equity has jumped to* **$132,000**.

Bonds represent a pledge to pay. In other words, they represent money. And the amount of money a bond represents is always specific and unchanging. It remains the same, in dollars and cents, regardless of the purchasing power of the money involved.

Common stocks, on the other hand, represent partnership. In other words, they represent joint ownership in property. And the amount of property, or its value, which a given common stock has title to, is limited only (1) by the amount and value of the property acquired by a given corporation, and (2) the amount and extent of "prior obligations" (bonds or preferred stocks) issued against that property.

That is the first factor.

The second factor is this: The years have seen a constantly ascending price scale in the United States. They have witnessed an advance, sometimes jerky, sometimes steady, but seldom interrupted, in property values, in the cost of commodities and, ergo, in the worth and earning power of corporations. By the same token, they have witnessed a steady decline in the purchasing power of a given sum of money.

What has been the result?

Considering all these factors, only one result could have occurred. This is it:

With the equity (or "share") enjoyed by Bonds in a given corporation's property value and earning power definitely fixed and limited, bondholders have gained only in respect to the security behind their holdings.

With the equity enjoyed by Common Stocks in the same corporation unlimited in any such way, however, Common Stockholders have gained not only in respect to the price appreciation their interests have enjoyed, but also in respect to the income return they have received.

The man holding a Bond which he bought in 1905, in other words, is getting the same return in dollars and cents on his investment today as he did 20 years ago, and his investment is worth no more (on a maturity basis); furthermore, the dollars and cents he receives are able to buy less goods.

On the other hand, the man who bought a Common Stock in 1905 (U. S. Steel, for exampie) has seen his investment triple and quadruple in value, and witnessed a comparable growth in his income return. His investment has "kept up with the procession"!

The Future

It follows, then, that in rising-price periods such as this country has been passing through, common stocks, in actuality, have been better investments than bonds.

Will they always be better—and for the same reasons?

That depends. First, it depends upon how faithfully the directors of a given corporation conserve the values built up behind their common shares. In other words, it depends upon the probity and sagacity with which directors protect the interests of the common stockholders who are their partners.

Secondly, it depends upon whether property and products continue to rise in price, or begin to decline. In other words, on whether the one-dollar bill that would have bought something more than a bushel of wheat ten years ago, but which will only buy about half a bushel today, is going to regain its purchasing power and get back to its "bushel plus" basis; or whether it is going to continue to lose ground and, five years from now, be capable of buying, say, only one-third of a bushel.

Who can tell?

Twelve Things to Remember

By Marshall Field

1 - The value of time

2 - The success of perseverance

3 - The pleasure of working

4 - The dignity of simplicity

5 - The worth of character

6 - The power of kindness

7 - The influence of example

8 - The obligation of duty

9 - The wisdom of economy

10 - The virtue of patience

11 - The improvement of talent

12 - The joy of originating

Marshall Field

"From Simmons Bed to Famous Players"

The Leading Part Our Great Corporations Play in Every Phase of Modern Life

HAVE you ever stopped to consider how dependent the average American has come to be on the great corporations of modern times?

Look about you know, and count the number of articles, furniture, equipment, clothing and what not—all of which owe their creation to some one of our many million-dollar business enterprises. Or, better still, read the description of an average man's day which follows below.

This illustration is imaginary, to be sure, but we leave it to you whether or not it is far-fetched and whether it does not truthfully portray the extent to which great corporations and their multitudinous products permeate every hour and every phase of modern life:

An Average Man's Day

Jonathan Brown, waking from a pleasant night's rest, rises from his Simmons Bed, emerging from between linen sheets by James McCutcheon (Associated Dry Goods). He dons shoes by Endicott-Johnson; socks by Phoenix Hosiery Co.; "B. V. D.'s" by Robert Reis & Co.; shirt by Cluett Peabody; collar by George P. Ide, tie by Fain Knitting Mills and suit by Rogers Peet.

Walking down stairs (and the stairs, as like as not, will be part of a ready-made house by Sears, Roebuck) he seats himself at the breakfast table, there to enjoy Toasties and Postum by the Postum Cereal Co., toast made from Ward's bread and perhaps a coffee-ring from Cushman's, Inc. During the meal, he reads a newspaper published by the New York Times Co., not failing to note that the Times company represents one of the important corporations of the day, even though comparatively few may be lucky enough to be numbered among its stockholders.

His breakfast completed, our friend dons a Hart, Schaffner & Marx overcoat and a Knox hat, along with gloves obtained from Gimbel Bros., Inc. Thereupon, he steps out of his house, and enters his Buick car (General Motors Corporation) switching on the batteries (by National Carbon) and the starter, and noting with satisfaction the easy flow of lubricating oil (by Galena Signal Oil).

On its nicely inflated tires (by Kelly Springfield) and over roads built and paved by General Asphalt Co., our friend reaches in due course the station of the New York, New Haven & Hartford R. R. Co., one of whose trains he boards. On this vehicle he is transported to the Grand Central Terminal over the approach which the New York Central leases from the New York & Harlem R. R. Co.

Alighting from the train, Mr. Brown travels up the ramp and down again, boarding a subway train (Interborough Rapid Transit Co.), from which he emerges at Wall Street. A couple of blocks south and he is in the—Broadway Building (a corporation) whose Otis elevators take him to his office, which is furnished with Globe Wernicke desks and chairs, Congoleum rugs, telephones by the New York Telephone Co., and illuminated by the Edison Co. (Consolidated Gas), etc. Lighting an inexpensive but tasty cigarette (American Tobacco Co.), and extracting a pencil from his pocket (Joseph Dixon Cruicible) he begins his day's work.

Lunch time finds our hero at a restaurant (Childs Co.), partaking of food which may have been obtained from any one of a number of nationally known corporations, if not direct from Childs Co. farms. It threatens rain as he leaves the restaurant, so he drops into the nearest store and buys a pair of rubbers for himself (Goodyear Tire & Rubber Co.).

With some difficulty, he manages to dodge the automobiles that fill the streets (all of them the products of enormous corporations) and regains the safety of his office.

His work finished, our hero retraces his footsteps homeward, stopping on the way to buy a fashion magazine for his wife (McCall Corporation), a Saturday Evening Post for himself (Curtis Publishing Co.), and a box of candy for the children (United Retail Stores).

Through with the evening meal, he invites his family to the movies, and there they spend the evening enthralled by the latest production of the Famous Players-Lasky Corporation. . . . In time, "good night" appears on the screen, and the little family wends its way back home, healthily tired and sleepy and ready for bed—it never occurring to any of them how different their day would have been had it not been for the facilities, conveniences and luxuries put within their reach by these great business undertakings so characteristic of America, and which, as we say, permeate and pervade nearly every phase of modern American life.

BYFI'S Recommendations Table

(For Small Investors)

$100 Bonds	Recent Price	Yield to Maturity
American Water Works & Elec. Corp. coll. tr. 5s, '34	93½	6.10%
Laclede Gas 5½s, '53	96	5.80
Ohio Pub. Serv. 7s, '47	107	6.40

Preferred Stocks	Per Share Dividend Rate	Recent Price	Yield
American Smelting & Refining Co.	$7	109	6.40%
American Ice	6	78	7.55
Mack Truck 1st	7	106	6.55
Radio Corp.	3½	50	7.00
Schulte Ret. St.	8	112¾	7.05

Common Stocks	Per Share Dividend Rate	Recent Price	Yield
Amer. Tel. & Tel.	$9	132¾	6.70

What the News Means

~ Timely and plain-spoken interpretations of the important financial happenings of the day ~

High Wheat Prices—

—are making the farmers of the wheat belt happy. Wheat at $2.00 a bushel, except during the war period, has not been witnessed in over a generation. Amidst the general jubilation, let us not forget that cotton, tobacco, corn and livestock growers are not overenthusiastic. Only the wheat farmers may rejoice. Corn is high but there is not much of it; cotton is fairly low; tobacco, another important crop, is not making much money for its producers; and livestock growers have been in trouble for a few years and have not yet emerged.

* * *

Real Estate Lower—

—is the forecast by several experts. Over-building and a tendency among the people to move toward suburbs instead of into congested city quarters is given as the reason. Rents, both commercial and residential, have been going down slowly in the past year. They will probably go down more rapidly in the next year or two. This is not the best time in the world to hold real estate at inflated prices.

* * *

Stock Market Laggards—

—are by no means few and far be-

(*Please turn to page* 614)

IMPORTANT CHANGES IN CAPITALIZATION OF LEADING COMPANIES

Actual Changes Jan. 1 to Date

AMERICAN TEL. & TEL. CO.
Jan. 8—Sold: at 95, to yield 5.30, s. f., deb. 5s, '60.....$125,000,000

BROOKLYN EDISON
Jan. 1—Called for redemption: at 105, Ser. C, gen. 7s, '30, entire issue $2,000,000

CENTRAL LEATHER
Jan. 1—Issued: 20 yr., 1st lien, s. f. 6s....................$15,000,000

COMMERCIAL SOLVENTS CORP.
Jan. 11—Sold: 5 yr., cv., 6½% gold notes....................$3,200,000

DETROIT EDISON
Jan. 10—Called for redemption: at 103, cv. 8s, '31, entire issue $5,462,200

FISHER BODY
Jan. 14—Split: 600,000 shares common, par $100, into 2,400,000 shares, par $25.

INVINCIBLE OIL CORP.
Jan. 13—Dissolved: distributing to shareholders, pro rata, its holdings of Louisiana Oil Refining Corporation.

MAXWELL MOTOR
Jan. 26—Issued: Mtge. 5½s....................$5,000,000
Redeemed: at 105, conv. deb. 7s....................$2,750,000

NEW YORK, NEW HAVEN & HARTFORD
Jan. 2—Called for redemption: at 100, eq. tr. 6s, '27, entire issue $894,000

OHIO FUEL SUPPLY
Jan. 2—Called for redemption: at 100, out of earnings, 5% notes $3,000,000

PITTSBURGH & WEST VIRGINIA RAILWAY
Jan.—Retired: 6% preferred stock, entire issue....................$9,100,000

REMINGTON TYPEWRITER
Jan. 1—Called for redemption: at 102½, 6s, '26, entire issue..$447,000

VANADIUM CORP.
Jan.—Took over control of U. S. FERRO ALLOYS CORP.

WEBER & HEILBRONER
Jan.—Reduced authorized common shares from 250,000 to 100,000, no par value. Exchanged: 1 share of new stock for each 3 shares of old (225,520 outstanding).

Proposed Changes

AMERICAN BEET SUGAR
To authorize: Common stock, 260,000 shares, no par value; 150,000 to retire present outstanding Com., share for share; Bal. reserved for conversion of bonds, etc. Preferred stock, 60,000 shares, $100 par, 7% cum.; 50,000 to retire present outstanding non-cum. Pfd., share for share. 10 yr., s. f., deb. 6s, convertible into Common stock at $50 to $70—$2,500,000—to complete purchase of NORTHERN SUGAR CORP. for $4,437,841

AMERICAN CAN
Feb. 1—To call for redemption: at 102½, s. f., deb. 5s, '28, entire issue $8,633,500

CONSOLIDATED CIGAR CORP.
To increase authorized Common stock: from 150,000 to 250,000 shares.

CONSOLIDATED GAS COMPANY
To issue: 20 yr., deb. 5½s....................$50,000,000

CONTINENTAL CAN COMPANY
Feb. 16—To pay stock dividend of 5% on Common stock, to shareholders of record Feb. 5. This will add to outstanding Common stock ....19,187 shares

FEDERAL LIGHT & TRACTION
Mar. 1—To call for redemption: at 110, Ser. A, cv., deb. 7s, (30 yr.), all $2,000,000

FOUNDATION COMPANY
To increase Com. shares: from 75,000 to 100,000. March 16—To redeem: at 115, all outstanding Preferred stock, no par value, 15,504 shares.

GENERAL ELECTRIC COMPANY
To distribute: pro rata among Common shareholders (1,802,870 outstanding) its entire holdings of ELECTRIC BOND & SHARE CO., consisting of 300 shares of $100 Preferred stock (now paying 6%), and 250,000 shares of $100 Common stock (now paying 8%).

JONES BROTHERS TEA
To change par value of present 100,000 Common shares, from $100 to no par.

KEOKUK & DES MOINES RAILWAY CO.
Reorganization: Holders of 1st mtge. g. 6s, '23 must deposit same before Feb. 25.

LIGGETT & MYERS TOBACCO CO.
Mar. 16—Will offer: at par ($25) for cash, to holders of record Feb. 16 of Common and Common B Stock, an additional 432,426 shares of authorized Com. B, on the basis of 1 share for each 4 shares now held.

MAGMA COPPER COMPANY
To increase capital stock from 350,000 to 410,000 shares; and offer 60,000 shares to stockholders, at $36.50.

MARLAND OIL
Jan. 16—To sell: 100,000 shares to J. P. Morgan & Co., at 39 and extend 6 mos. that firm's option on an additional 235,000 shares at same price. Feb. 1—To redeem: at 105, s. f., Ser. B, 7½s, '31, entire issue $2,623,000

MARTIN-PARRY CORP.
To increase Capital stock: from 100,000 shares to 200,000; partly to capitalize "former improvements in development."

MATHIESON ALKALI
To increase authorized Common shares: from present 130,000 to 200,000; and change par value from $50 to no par. To offer: 23,543 shares of new Common to shareholders at $45—1 share new for each 5 shares now held.

PUBLIC SERVICE CORP. OF N. J.
Offers: holders of 7% & 8% Pfd. stocks the right to subscribe, at $100, for 30,571 4/10 shares of 7% Pfd. stock—1 share new for each 10 shares now held.

READING CO.
To issue: eq. tr. ctfs. $8,000,000

SENECA COPPER CORP.
Reorganization—shareholders must deposit their stock, and pay at least 1st instalment of $2.00, before Feb. 3.

SHERWIN-WILLIAMS CO.
Mar. 1—To retire: at 105, additional block of 7% Pfd. stock $1,000,000

UNITED DRUG COMPANY
To issue: for cash, 180,817 shares of $100 par, Class A Common stock. To increase: 1st Pfd. stock ($50 par, 7% cum.) from 400,000 shares to 700,000. To offer: shareholders of LIGGETT INTERNATIONAL, Ltd., right to exchange each share for 1 1/7 shares of United Drug, 1st Pfd.

VIRGINIA IRON, COAL & COKE
Offers to purchase: at 80 from Pfd. stockholders of record Dec. 31, 50% of their holdings of 50,000 shares (par $100). Offer terminates Feb. 2.

WELLS, FARGO & CO.
Jan. 7—Offer to purchase: until Jan. 13, at $12.50, entire issue (240,000 shares, $1 par) of outstanding Common stock, to expedite liquidation.

WICKWIRE SPENCER STEEL CORP.
Reorganization: Shareholders must deposit their stock before Feb. 1. Warrants to subscribe to capital of new company will be issued to stockholders of record Jan. 12.

SERVICE SECTION

ANSWERS TO INQUIRIES

SUBSCRIBERS—ATTENTION!

The inquiry Department enables you to adapt THE MAGAZINE OF WALL STREET to your personal problems. As a yearly subscriber, you are entitled to receive FREE OF CHARGE a reasonable number of PERSONAL REPLIES BY MAIL OR WIRE on any security in which you may be interested. The inquiries presented in each issue are only a few of the thousands received—43,000 in 1923. The use of this personal inquiry service in conjunction with the Magazine should help you to get hundreds or thousands of dollars of value from your $7.50 subscription.

TOBACCO PRODUCTS

Position of Common Stock

In 1922, I bought 50 shares of Tobacco Products A, paying 80½. Until a short time ago I had given up the idea of getting more than a moderate profit eventually, but the recent action of the stock makes me think I would be justified in holding for a much better advance. It had been my idea to sell out around 100. I also hold some of the common stock at about present prices. What would you advise?—W. S. K., Chicago, Ill.

Tobacco Products Corporation, as you no doubt are aware, is no longer an operating company. It derives its income from a lease of its properties to the American Tobacco Company, and from its holdings of United Cigar Stores common stock. Returns from these two sources are about sufficient to cover the 6% dividend now being paid on the common stock. As Tobacco Products is not an operating company there is no particular need to increase cash resources, and we believe that the present dividend rate can be maintained, although income of the company is not sufficient to warrant expectations of a higher rate in the near future. We consider the stock a reasonably attractive long-pull holding at present levels, but do not anticipate important appreciation in market value in the immediate future. Dividends on the "A" are amply protected and we believe a price of around 100 a share is warranted.

SOUTHERN RAILWAY

Earning Over $11 a Share

Do you not think that Southern Railway is about through as a market performer? Several years ago I bought my present holdings at 28 and now think it would be advisable to switch into something with the same likelihood of moving into higher growth. What would you suggest?—M. N. S., Boston, Mass.

Southern Railway in 1924 showed the largest earnings in its history, exceeding the excellent report of 1923. In the past two years the present dividend of 5% has been earned on the average more than twice over. With this earning power, satisfactory conditions prevailing in the South and the good physical condition of the road, the present dividend may be regarded as well protected, with prospects of a higher rate later on. Despite the very important advance in market price which the common stock has enjoyed in the past year, we still consider it to have long-pull possibilities, although its market career from now on is not likely to be as spectacular. Stocks generally are at a very high level, and instead of switching your Southern Railway into some other issue, we believe it would be sound policy to take profits on half your holdings and keep the cash received in liquid condition until such time as stocks are again in the buying zone, when better opportunities should be available than now exist.

ASSOCIATED DRY GOOODS

Earning $20 a Share

I bought 50 shares of Associated Dry Goods at 51, two and a half years ago, and later on bought more, until I now have 100 shares averaging me 66. What do you think of the result of 1924 and the prospects of 1925?—V. E. G., Milwaukee, Wis.

Associated Drygoods has not yet issued its report for 1924, but reliable estimates are to the effect that earnings were in the neighborhood of $20 a share. As earnings of 1923 were also large, over $18 a share, it is obvious that the company is in a position to pay a much higher dividend than the present rate of 5%. At present levels of around $150, the stock has of course discounted to a considerable degree the improvement in the company's affairs, and while we consider the outlook favorable for continued good earnings, we believe that it would be the sounder policy on your part to accept profits on at least half of your holdings. Stocks generally are at a very high market level at the present time, and we believe it advisable for investors to have a considerable percentage of their funds in liquid condition.

AMERICAN LOCOMOTIVE

Strong Cash Position

I see that American Locomotive has cashed its holdings of Belgian notes and some French notes and have put the funds into government securities. Why is the company binding up such a huge cash holding? My old stock cost me 104, which is equal to $52 a share for what I have now and I would like your advice whether to continue to hold it.—J. A. G., Washington, D. C.

Working capital of American Locomotive at the present time is probably close to 50 million dollars; and more than half of this working capital is now in cash or U. S. Government securities. One reason why American Locomotive retains such a large cash surplus, instead of distributing it to stockholders, is the very wide fluctuation in the company's business. When the railroads are in a buying mood, the company's profits are very substantial, but in periods of depression, when the railroads are conserving their resources, earnings are likely to drop off to smaller proportions. However, with the outlook reasonably favorable for the locomotive industry this year, it appears quite likely that the American Locomotive management will adopt a more liberal attitude in regard to its common stockholders. At present levels of around 118, however,

SUBSCRIBERS—ATTENTION!

This Inquiry Service is designed to help you adapt The Magazine of Wall Street to your financial problems. As a subscriber, you are entitled to this Service at all times and on any subject covered in our publication. Your inquiries will not be answered merely through the Inquiry Page. The inquiries presented here are only a few of the many thousands we receive. Replies to all inquiries from subscribers are sent direct, generally by mail but often by telegraph, as desired, in matters requiring immediate attention. Consistent use of this Personal Inquiry Service in conjunction with The Magazine will help you get many hundreds of dollars' value out of your $7.50 subscription.

we feel that the stock has rather fully discounted any such benefits that may be coming in the near future; and we believe you will make no mistake in accepting profits at this time.

STUDEBAKER CORPORATION

Effect of Lower Prices

Would you sell Studebaker bought at 102 for the old stock? This was in 1923. I do not understand why automobile prices are coming down while the cost of steel, leather, rubber, etc., appear to be rising. Where are the profits coming from?—M. M. K., Elizabeth, N. J.

The price cuts announced by the various large automobile manufacturers have undoubtedly been brought about by the severe competition now existing in this industry. As regards Studebaker, it is our opinion that the company will be able to return substantial profits despite the price reductions. The new models brought out last Fall have met with popular favor, and with its strong dealer organization the company should dispose of a large number of cars this year; and of course, the larger the output the lower the manufacturing cost per car. While prices of materials entering into the manufacture of automobiles are slowly rising, Studebaker has made satisfactory contracts for its supply for the first half of 1925. The stock is attractive speculatively.

MARLAND OIL

Expansion Policy

What is the outlook for Marland Oil? I hold it at 35. I see the company has acquired 50,000 acres in California. Why is it expanding its drilling so much?—H. A. S., Chicago, Ill.

Marland's Oil policy for some time has been one of steadily adding to its oil holdings. We consider this a sound policy, for the company's oil reserves are the protection against a decline in earnings in future years, due to the exhaustion of the wells now producing. Marland Oil has a good management, and in our opinion has added to its oil acreage along sound and conservative lines. Marland Oil has followed the policy of the other large producing companies recently in holding down drilling of new wells to moderate proportions. While it has recently acquired leases on more than 50,000 acres in California, it has not, as you state, expanded drilling operations to any important degree. We consider the stock a good long-pull speculative holding.

AMER. SMELTING & REFINING

Can Pay Higher Dividends

Now that American Smelting has increased its dividend would it not be the best thing for me to take a profit and sell the stock I bought some years ago at 55 and have carried it through its ups and downs?—D. S. P., Hoboken, N. J.

While it is true that the price of close to par for a $6 stock appears rather high, we consider American Smelting & Refining common to have good long-pull possibililties at these levels. In 1924, the company earned between $13 and $14 a share on the common stock, and as financial condition is unusually strong, with a large cash surplus, the present dividend rate of $6 is a conservative one. We are glad to note that you have a very handsome profit in this issue; and as the stock market may be subject to reactions, in view of the very substantial advance in the last few months, we consider it advisable in your case to take profits on a portion of your holdings.

PACKARD MOTOR

Price Cuts

Why has Packard made such striking reductions in the prices of its cars? I do not understand why a company which claims to have no instalment stocks on hand should reduce the prices of its product unless orders for new business were correspondingly invisible—T. J. F., Minneapolis, Minn.

The price cuts made by the Packard Motor Car Comany have undoubtedly been made with a view of increasing

(Please turn to page 595)

Bargains in Preferred Stocks

A Few Issues Which Still Appear Attractive

Within the past few weeks I have sold out all my common stocks, in most cases at a substantial profit, and now have a considerable amount of cash on hand. I do not consider that it is sound policy to reinvest this money in common stocks, in view of the present high level of the market; but thought there might be some opportunities in preferred issues. These have also advanced in price, I know, but there may be a few that have been overlooked, and I will be very glad to receive your opinion as to whether there are any opportunities in this class of stocks.—P. F. L., New Haven, Conn.

As you state, preferred stocks as well as common isues have enjoyed a very substantial advance in market value; but in carefully going over the list we find that there are several which still appear attractive from a long-pull investment viewpoint. We believe you would be justified in investing part of your funds in the issues given below:

Amer. Waterworks & Elec. 6% participating preferred: This stock shares equally in dividends with the common after 6% (equivalent to $1.20 a share on the new common stock of $20 par value, have been paid on both.) The new common stock is selling at the equivalent of $190 for the old par $100 stock, and obviously, in view of the participating feature, the preferred stock would be entitled to an equally high price, were it not for the fact that it is callable at 105. The participating preferred stock will probably be called at 105 before long, which would mean a very satisfactory profit to the purchaser at present levels of 96.

Worthington Pump 6% preferred B: This company piled up large profits during the war period, and as dividend policy was conservative and plant extensions moderate, it is now in very strong financial condition, working capital alone being in excess of the preferred issues outstanding. The preferred B stock has equal rights with the preferred A., except as to dividend rates, the former being entitled to 6% and the latter to 7%. As there is no funded debt, the preferred issues are in a strong position. Since the war the company has only averaged earnings sufficient to cover the preferred dividends with a small margin, but it has recently developed a new Diesel engine, which engineers consider the best product of its class on the market, and which should materially improve earning power of the company. At present levels of 73, returning 8.2%, the preferred B stock offers an attractive investment opportunity.

Coca Cola 7% preferred: There are only 10 million dollars of preferred stock outstanding, which is followed by 500,000 shares of common stock having a market value of 45 million dollars. The company is entirely free from funded debt, and is in a strong financial condition. For the past five years earnings have averaged about six times preferred dividend requirements, and in no year did earnings fall below three times preferred dividend requirements. At present levels of 96, yielding 7.3%, this preferred stock appears unduly low, compared with other preferred stocks of similar grade.

School for Traders & Investors

Fiftieth Lesson

Are Charts an Aid to Trading?

This Depends on How They Are Interpreted —They May Frequently Be Misleading

FROM students of the market we receive numerous requests for information relative to various phases of stock trading. Some of these inquiries present subjects for discussion which should be of general interest to readers of this department. Such an inquiry is contained in a recent letter from one of our students who writes as follows:

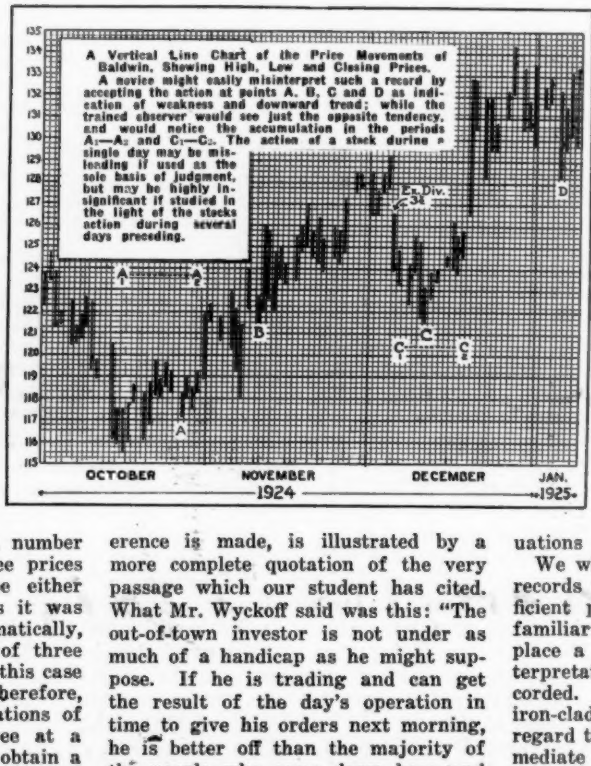
"I have read Mr. Richard D. Wyckoff's book, HOW I TRADE AND INVEST IN STOCKS AND BONDS with great interest. On Page 122, he says that all the out-of-town trader needs is the highest, lowest and last prices of the stocks which he is watching. Would it be asking too much to request further amplification on this point, with examples showing how this may be used in actual trading?

"Of course, if the highest, lowest and last prices of any stock are higher than on the preceding day, we know the immediate trend is up, and vice versa, when these three prices are lower than on the preceding day, the trend is down. But what about the case, which is frequent enough, when the highest price is higher than on the day before, and the lowest prices have gone in opposite directions? On these occasions the closing price will be sometimes higher or lower than it was the day before.

"Therefore we may have a number of combinations of these three prices in which each price will be either higher, lower or the same as it was the preceding day. Mathematically, the number of permutations of three conditions, three at a time, in this case will be 3 x 3 x 3 = 27. Therefore, there are 27 possible combinations of these three prices taken three at a time, and one would have to obtain a good idea of what each one of these 27 combinations might indicate in order to trade intelligently. I would certainly like to see this point explained more fully."

In reply to this inquiry our first impulse is to warn the inexperienced trader not to expect too much from the mere charted record of price movements. No chart tells the whole story, but the record which it presents must be interpreted in the light of such other conditions and facts as may be available, or which may be estimated from the gradual development of the chart itself over a sufficient period of time, and more particularly the major trend of the market.

Our point regarding the interpretation of the kind of chart to which reference is made, is illustrated by a more complete quotation of the very passage which our student has cited. What Mr. Wyckoff said was this: "The out-of-town investor is not under as much of a handicap as he might suppose. If he is trading and can get the result of the day's operation in time to give his orders next morning, he is better off than the majority of the people who come down here and hang over the ticker. His opinions are formed from the facts. *He must know how to assemble these and draw the proper conclusions.* But all he needs is the highest, lowest and last prices of the stocks which he is watching." The italics are ours. The important point is that price changes must be *interpreted.* This can be done with probability of accuracy only if a sufficient number of such changes is available to construct a graphic record that will indicate the general trend of the stock question. Prices for two consecutive days only would be of little if any use in determining trend, for they would not indicate whether the stock was reacting in a bull market, or rallying in a bear market.



A Vertical Line Chart of the Price Movements of Baldwin, Showing High, Low and Closing Prices.
A novice might easily misinterpret such a record by accepting the action at points A, B, C and D as indication of weakness and downward trend; while the trained observer would see just the opposite tendency, and would notice the accumulation in the periods A_1—A_2 and C_1—C_2. The action of a stock during a single day may be misleading if used as the sole basis of judgment, but may be highly insignificant if studied in the light of the stocks action during several days preceding.

Our student is mathematically correct in stating that there are 27 possible situations with regard to the relative position of the three prices, high, low and last. However, he is too hasty in jumping at conclusions. All three price levels mentioned may be lower on a Tuesday than on the preceding Monday, and yet the immediate trend may not be downward, for the closing price may have been reached during the progress of a strong rally following the registration of the low price of the day, at which joint speculators for the decline may have made their final effort just before deciding to cover their shorts. In similar manner we might indicate two possible interpretations for every one of the twenty-seven possible situations suggested by our students.

We wish to point out that the price records must be available over a sufficient period of time to enable one familiar with market operations to place a consistent and reasonable interpretation on the latest changes recorded. It should be clear that no iron-clad rule can be laid down with regard to the determination of the immediate price trend on the basis of high, low and closing prices for two consecutive days only. It is necessary to have the record over a period of sufficient length to indicate a *tendency*

(*Please turn to page* 598)

Income Tax Department

Conducted by M. L. SEIDMAN, C.P.A.

Definition of Earned Income

IN the last article the normal tax and the surtax were explained. We there found that the normal tax and surtax represent the total tax payable except for a credit permitted for so-called "earned income," and the consideration of what is known as "capital gains and losses." In this section, the earned income credit will be discussed, and in the next article, the question of capital gains and losses.

The provision giving special consideration to earned income appears this year for the first time in our income-tax laws. Its name makes its purpose self-explanatory. It seeks to impose a smaller tax on income derived from the sweat of the brow than on income derived from clipping coupons.

While the purpose is noble, the credit that is allowed for earned income is at best nominal. Before going into this phase, however, let us first see what is meant by "earned income." The law defines it as the income derived from personal services rendered. It therefore includes wages, salaries, professional fees, etc. The man who is engaged in business on his own account, can consider as his earned income a reasonable allowance for salary. However, this amount cannot exceed 20% of his share of the profits of the business.

The effect of the earned income credit as a means of reducing the tax, however, is greatly restricted, for the law says that in no case can the amount of earned income be regarded as more than $10,000. But this does not mean that a person is not allowed a larger salary than $10,000. It only means that for the purpose of computing the earned income credit, not more than $10,000 can be considered as earned income.

On the other hand, the law also says that everyone has the right to consider at least $5,000 of his income as earned income, whether or not it is in fact earned income. In other words, if the income of an individual were $10,000, and all of it came from interest on bonds, or profits on stocks, while there would be no earned income in fact, that individual would be able to compute his tax as if $5,000 of his income were earned income.

Now let us see just how this earned income credit works out. We already know how to compute the normal tax and the surtax. The law provides that the total so arrived at shall be credited with 25% of the tax that would be payable if all of the individuals's income were only his earned income.

An actual case will perhaps serve to clarify the principle. Let us assume that a married man with no dependents has a net income for the year 1924 of $10,000, of which $6,500 is from salaries, and $3,500 from profits on stocks. In other words, his earned income is $6,500, and his total income $10,000. The tax would first be computed in the regular way, on his total income. His total income being $10,000, he would deduct his exemption of $2,500, leaving $7,500 subject to tax. The normal tax would be 2% on the first $4,000, or $80; and 4% on the remaining $3,500, or $140, making a total normal tax of $220. Since his total income was only $10,000, there would be no surtaxes, so that his total tax would be $220 before the credit for the earned income.

Here is the way the earned income credit would be computed: You recompute the tax on the basis as if the earned income were his only income. In other words, you assume in the case supposed, that the $6,500 earned income constituted all the net income of the taxpayer, and compute the tax on that basis. We therefore start with $6,500; deducting the exemption of $2,500, which leaves $4,000 subject to tax. This is all taxable at 2%, or $80. We thus see that if the earned income were the entire income of the taxpayer, his tax would be $80. Now the earned income credit can be taken. This is 25% of this $80, or $20. We now go back to the tax that was first computed in the ordinary way, of $220, deduct from it the earned income credit of $20, which leaves the net tax to be paid of $200.

THIS department, which is conducted by Mr. M. L. Seidman, C. P. A., one of the best known tax experts in the country, will be published regularly until the March 14 issue. To further the scope of this department, Mr. Seidman will answer through our columns any questions bearing on the subject. Questions should be addressed to the Tax Editor, in care of this publication. All communications must be signed, but names will not be disclosed in the published answers.

Because of the manner prescribed for the computation of the earned income credit, and the $10,000 maximum limitation on the amount that can be considered as earned income, it is apparent that the reduction in tax through it cannot be very large. As a matter of fact, the credit cannot ordinarily be more than $75 at best. For let us assume that the earned income of the taxpayer amounted to $10,000, the maximum. Let us assume that the taxpayer is single, with no dependents, so as to deduct the smallest exemption, or $1,000. This leaves $9,000 subject to tax, the first $4,000 being taxed at 2%, or $80, the next $4,000 at 4%, or $160, and the remaining $1,000 at 6%, or $60, making a total tax of $300, 25% of which is $75.

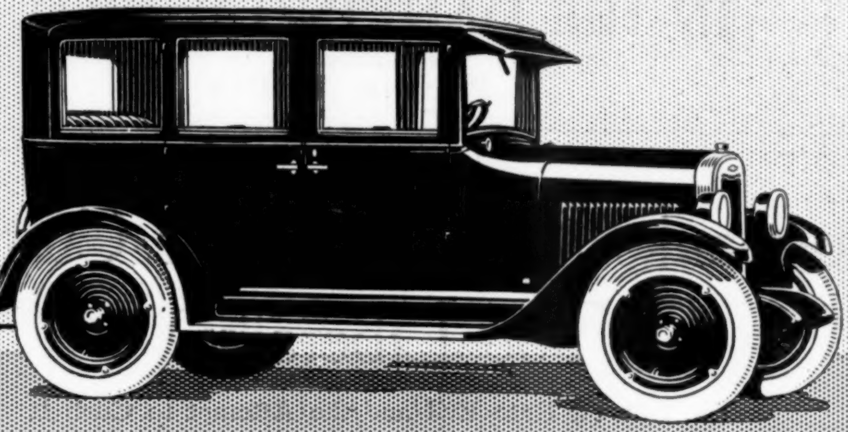
There is a further limitation that might be pointed out, and that is that in no event can the earned income credit exceed 25% of the tax computed in the ordinary manner. This limitation most usually applies in those cases where the entire net income is less than $5,000. In such cases, the simplest way of computing the tax is to first compute it in the ordinary manner, and then deduct one-quarter of the tax so arrived at, for the earned income credit, the difference representing the net tax payable by the taxpayer.

It is obvious that from its nature and purpose the earned income provision is only applicable to individuals, for it has as its background the element of personal services. Corporations, therefore, cannot take any allowance for an earned income credit.

Note: The writer wishes at this time to make note of the fact that a number of readers' questions have been advisedly accumulated. It is planned that the answers will be published in conjunction with subsequent articles. It has been thought best for the time being, however, to confine the articles to a further explanation of the law, in the thought that readers might first be acquainted with more of the tax principles to guide them in their questions.

CHEVROLET

for Economical Transportation



The New Features

New Radiator—

Harrison honeycomb with shell of highly polished, non-rusting airplane metal adding greatly to the appearance of the car.

New Clutch—

Single plate, dry disc type; easier, smoother, more positive, requires no lubrication. Clutch and flywheel fully enclosed.

New Axles—

Rear axle re-designed, strengthened and enlarged; gear contact greatly increased; one-piece banjo-type pressed-steel housing. Front axle also re-designed and strengthened.

New Springs—

Semi-elliptic, chrome vanadium steel; rear springs underslung. Alemite lubrication.

New Bodies—

Modern, full streamlines; beautiful, durable upholstery on deep cushioned springs; cowl lights on all models; closed models have beautiful new Fisher bodies.

New Finish—

Lustrous, durable Duco; open models and coach in rich dark blue; sedan aquamarine blue and black; coupe sage green and black.

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN

Division of General Motors Corporation

QUALITY AT LOW COST

Touring Car	Roadster	Coupe	Sedan	Coach
$525	$525	$715	$825	$735
Balloon Tires and Disc Wheels $25 Additional	Balloon Tires and Disc Wheels $25 Additional	Balloon Tires and Disc Wheels Standard Equipment	Balloon Tires and Disc Wheels Standard Equipment	Balloon Tires and Special Artillery Wheels Standard Equipment

ALL PRICES F. O. B. FLINT, MICHIGAN

IN THE BANKING WORLD

Conducted by
H. Parker Willis

Are Banks Treating Their Customers Too Liberally?

The Interest Rate Evil and the Attempt to Curb It

SOME IMPORTANT CHANGES NECESSARY IN BANKING PRACTICE

1. ***Simplification of terms under which deposits are taken.***
2. ***Plain statement to depositors as to methods of computing interest.***
3. ***Elimination of interest on balances of borrowing accounts.***
4. ***Limitation of interest to a rate which can actually and fairly be earned on given classes of accounts.***

THE action of Chicago banks in cutting down the rate of interest which they are willing to pay upon the deposits of out-of-town banks has been followed by similar action in a number of other financial centers in the West. A beginning in the movement was independently made when Eastern banks, at a number of points recently decided no longer to guide themselves in paying interest by the schedule formerly fixed as percentages of the 90 day discount rate charged by the Federal Reserve Bank of New York. Thus was broken the connection between rates of interest paid by banks to other bank customers and the rates of the Federal Reserve System which had been established during the latter days of the war because of friction and controversy growing out of excessive competition.

Reason for Curtailment

The fact that banks are to pay less interest to one another is the necessary consequence of the fact that they have been able to get so little interest for their money from many types of borrowing customers during the past year. It, however, simply enhances the difficulty of these banks whose interest allowances from others have been reduced, because the former are now afraid to make a similar cut in their allowance to individual depositors.

Such a cut they find difficult to make because as a rule the latter class of depositors are being actively sought for on a competitive basis by many banks. In fact, it is not too much to say that, at the present time, the total amount of interest paid by banks to their customers is larger than ever before. It is vastly larger in gross amount, and it is materially higher even when measured as a rate. This is a result of the unjust competition that has sprung up, due to the organization of new banks and the development of branch systems in many cities and states.

It may easily be that temporary relief from present conditions will be obtainable by banks in the near future through an advance in money rates, but such relief will be only transitory, and the result of it will be correspondingly temporary. In order to get genuine or permanent improvement of the situation, it will be necessary to bring about some general change of bank policy with regard to allowing interest on deposits. In bringing this change about, a much broader education on the part of the public will be necessary, for at the present time a great many misconceptions on the subject exist.

Perhaps the worst thing about the present interest situation is the fact that it has given rise to a kind of "pull" or struggle between the banker and the depositor. The question of interest rates, and the conditions on which deposits will be carried, constitute a never-ending subject of controversy in which are involved at least three elements:

(1) Actual rate of interest allowed —whether two, two and one-half or three per cent. or more.

(2) Minimum balance which must be carried without interest; and

(3) The rate of turnover of the account or the element of service cost.

Along with this in some cases, is considered the permanency of the account itself. As subordinate factors, are to be considered the method of computing interest and the effects of withdrawals before a given "interest day." These are all well recognized and stereotyped matters. There may be differences between banks in the expenses of handling accounts, some being more economical than others, but the general elements of the problem are the same to all. Therefore, if a bank offers an apparently high interest rate, but saves itself by the adoption of methods of competition which are adverse to the customer,

(*Please turn to page* 600)

New York Stock Exchange

RAILS

	Pre-War Period 1909-1913		War Period 1914-1918		Post-War Period 1919-1924		1925		Last Sale	Div'd $ per
	High	Low	High	Low	High	Low	High	Low	Jan. 21	Share
Atchison	125⅛	90¼	111¼	75	120¾	91¾	123	116¼	117½	7
Do. Pfd.	106¼	96	102⅛	75	96⅝	72	93⅞	92⅞	†93¼	5
Atlantic Coast Line	148½	102½	126	79⅞	152¼	77	152	147¼	149	‡7
Baltimore & Ohio	122¼	90⅝	96	88¼	84⅞	27⅝	82½	77¼	77½	5
Do. Pfd.	96	77¼	80	48¼	66½	38½	66½	65	65⅞	4
Bklyn-Man. Transit	..	..	..	..	41⅞	9¼	40½	35⅛	39⅛	..
Do Pfd.	..	..	..	..	75¾	31⅛	75¼	72⅞	75⅛	6
Canadian Pacific	283	165	220⅛	126	170⅞	101	152⅜	147¾	149½	10
Chesapeake & Ohio	92	51⅛	71	35⅝	98¼	46	98¾	95	97⅛	4
Do. Pfd.	..	..	..	..	109⅛	96	108⅜	106¼	†107	6½
C. M. & St. Paul	165⅛	96¾	107⅛	35	52¾	10⅞	16⅛	13½	14⅝	..
Do. Pfd.	181	130½	143	62½	76	18¼	28½	23¼	25⅛	..
Chic. and Northwestern	198½	123	136⅞	35	105	45⅞	75⅛	70	71¼	4
Chicago, R. I. & Pacific	..	..	45¾	16	50	19⅛	40⅛	44⅝	44⅞	..
Do. 7% Pfd.	..	..	94¾	44	105	64	95	92	94	7
Do. 6% Pfd.	..	..	80	35¾	93¾	54	87¼	83	84	6
Delaware & Hudson	200	147½	159½	87	141½	83¼	142½	136⅛	139	9
Delaware, Lack. & W.	340	192½	242	160	260½	93	144⅝	138	140	6
Erie	61¼	33½	59½	18¾	35⅜	7	33¾	31⅛	31⅜	..
Do. 1st Pfd.	49¼	26¼	54¾	15⅛	49¼	11⅛	46⅞	43½	44⅛	..
Do. 2nd Pfd.	39⅛	19½	45⅝	13⅛	46¼	7⅛	43¾	40⅜	40½	..
Great Northern Pfd.	157⅞	115½	134¼	79¼	100⅝	50⅝	71⅛	68⅛	68¼	5
Hudson & Manhattan	..	..	..	..	29¼	20⅝	27⅜	24½	25½	..
Illinois Central	162⅛	102¾	115	85¾	117⅞	80⅞	119⅝	113¾	115½	7
Interboro Rap. Transit	..	..	..	..	39¼	9½	33¼	29⅝	31½	..
Kansas City Southern	50¼	21⅜	35⅛	13⅛	41¾	13	36⅛	33	35⅝	..
Do. Pfd.	75½	56	65½	40	59½	40	58	57	57⅛	4
Lehigh Valley	121¼	62⅛	87⅛	50⅜	85	39½	82⅝	74¾	75⅛	3½
Louisville & Nashville	170	121	141⅞	103	155	84¾	112⅞	106	†106⅛	6
Mo. Kansas & Texas	*51⅛	*17½	*24	*3⅛	34⅜	*¾	31	28¼	29½	..
Do. Pfd.	*78¼	*46	*60	*6½	75¾	*2	79	74¾	77⅛	5
Missouri Pacific	*77½	*21⅛	38½	19⅞	38⅞	8¼	38½	30⅝	36½	..
Do. Pfd.	..	..	64⅞	37½	74	22¼	82⅜	72½	77⅛	..
N. Y. Central	147¾	90⅜	114¼	62½	119¾	64⅛	124¾	117½	121⅞	7
N. Y., Chi. & St. Louis	109¾	90	90¾	55	128	23¼	130	124	†125	6
N. Y., N. H. & Hartf'd.	174¾	65⅝	89	21½	40⅞	9⅝	32	29½	29¾	..
N. Y., Ontario & W.	55⅜	25⅛	35	17	30½	14¼	27⅛	23½	†23½	1
Norfolk & Western	119¼	84¼	147⅛	92⅝	123¼	84⅛	132⅝	126¾	127½	7
Northern Pacific	159½	101¾	118⅞	75	99⅞	47⅞	71	68	68⅛	5
Pennsylvania	75⅝	53	61½	40¼	50	32¼	48⅞	48	48½	3
Pere Marquette	*36½	*15	38⅛	9½	73	12⅛	70⅜	67	67½	4
Pittsburgh & W. Va.	..	..	40⅜	17¾	94	21⅛	73⅞	69¼	69½	..
Reading	89⅝	59	115½	60⅛	108	51⅞	82¼	74¾	77½	4
Do. 1st Pfd.	46¾	41¼	46	34	61	32⅞	38¾	37½	†38	2
Do. 2nd Pfd.	58¾	42	52	33¾	65½	33⅛	44	40⅝	41⅛	2
St. Louis-San Fran.	*74	*13	50½	21	65	10¾	62⅝	57½	58½	5
St. Louis Southwestern	40⅜	18½	32⅛	11	55⅞	10⅞	52¾	47¼	48⅛	..
Seaboard Air Line	27½	13¼	22⅜	7	24⅛	2⅛	22⅜	20⅛	20½	..
Do. Pfd.	56½	23½	58	15⅛	45½	3	41½	37⅜	38	..
Southern Pacific	139⅛	83	110	75¾	118⅛	67½	108⅜	102	104⅝	6
Southern Railway	34	18	36¾	12½	79¾	24¾	82½	77⅝	80⅛	5
Do. Pfd.	86⅞	43	85¼	42	85	42	86¼	83	†84¾	5
Texas & Pacific	40½	10¼	29½	6½	70½	14	47	43½	43½	..
Union Pacific	219	137¾	164⅜	101¼	154¾	110	153¼	147⅝	149	10
Do. Pfd.	118½	79¾	86	69	80	61¼	75	74¼	74⅜	4
Wabash	*27⅞	*2	17½	7	24⅜	6	23	20⅝	21	..
Do. Pfd. A	*61¾	*6⅛	60½	30⅞	60¾	17	59½	55¾	56½	..
Do. Pfd. B	..	..	32⅞	18	42⅜	12¾	41⅞	38½	38½	..
Western Maryland	*56	*40	23	9¼	17¼	8	17⅜	14½	15	..
Do. 2nd Pfd.	*88¼	*53½	*58	20	30½	11	26¼	22⅞	23⅜	..
Western Pacific	..	..	25½	11	40	12	39½	32½	36	..
Do. Pfd.	..	..	64	35	86½	51½	94	84½	91½	6
Wheeling & Lake Erie	*12⅞	*2⅛	27⅜	8	18¼	6	16½	14¾	15¼	..
Do. Pfd.	..	..	50⅜	16⅝	32½	9¼	31⅛	27½	29	..

INDUSTRIALS

	1909-1913 High	Low	1914-1918 High	Low	1919-1924 High	Low	1925 High	Low	Last Sale Jan. 21	Div'd $ per Share
Adams Express	270	90	154½	42	93½	22	103¾	91	†97	6
Ajax Rubber	..	..	89⅛	45⅛	113	4¼	14	11	11½	..
Allied Chem. & Dye	..	..	..	..	91¾	34	85⅞	81⅛	83⅞	4
Do. Pfd.	..	..	..	..	118⅜	83	118⅛	117	117½	7
Allis-Chalmers Mfg.	10	7⅜	49⅛	6	73⅝	26½	82¾	71½	79	4
Do. Pfd.	43	40	92	32½	104⅞	67½	107	103¼	†106½	7
Am. Agric. Chem.	63⅝	33½	106	47¾	113¾	7⅛	15⅝	13⅝	14	..
Do. Pfd.	105	90	103½	89⅛	103	18¾	46⅝	40¼	44	..
Am. Beet Sugar	77	19¾	108⅜	19	103¾	24½	43	39⅞	†40⅛	4
Am. Bosch Magneto	..	..	..	..	143⅞	22¼	54½	33	42⅛	..
Am. Can	47⅜	6⅞	68½	19¾	163½	21¾	168½	158⅛	163¾	7
Do. Pfd.	129¼	98	114½	80	119	72	116½	115¾	†115½	7
Am. Car & Foundry	76½	36½	98	40	201	153½	207	192	198	12
Do. Pfd.	124¾	107½	119½	100	126⅛	105¾	124	121½	122½	7
Am. Express	300	94¾	140½	77½	175	76	166	150	153	6
Am. Hide & Leather	10	3	22⅛	2½	43⅛	5	14	12	12⅞	..
Do. Pfd.	51⅞	15⅛	94⅞	10	142⅜	29¾	75⅞	68¾	†72	..
Am. Ice	..	..	49	8⅞	122	37	93½	85⅛	87	7
Am. International	..	..	62¾	12	132¼	17	36⅜	33	34½	..
Am. Linseed Pfd.	47¾	20	92	24	113	4¼	58½	53	57	..
Am. Locomotive	74¾	19	98¼	46⅝	136¾	58	119¾	104½	116½	6
Do. Pfd.	122	75	109	93	122¼	96½	121⅛	119¾	120	7
Am. Metal	..	..	..	..	55⅞	38¾	53⅜	50	50½	3
Am. Radiator	*500	*200	*445	*235	*345	64	105	89⅞	99½	4
Am. Safety Razor	..	..	..	..	40⅝	*3½	39½	36⅞	37	..
Am. Ship & Commerce	..	..	..	..	47½	4⅜	12⅞	11½	12⅜	..
Am. Smelt. & Ref.	105½	56⅝	123¾	50¼	100⅜	29¼	101⅞	95½	98½	6
Do. Pfd.	116¾	98¼	118⅛	97	109⅝	63¼	110	105½	109	7
Am. Steel Foundries	74½	24⅛	95	44	50	18	49	46⅛	47¼	3
Do. Pfd.	..	..	..	..	109¼	78	110½	108	110	7
Am. Sugar Refining	136⅜	99⅞	126½	89⅛	148⅜	36	57⅞	47⅝	57½	..
Do. Pfd.	133½	110	123½	106	119	67½	99	91	98⅝	7
Am. Sumatra Tobacco	..	..	145¾	15	120⅛	6⅜	12⅞	10¼	11	..
Do. Pfd.	..	..	103	75	105	22½	...	...	†37	..
Am. Tel. & Tel.	153¾	101	134⅛	90⅜	134¾	92⅛	136⅜	130⅜	132¾	9

Price Range of Active Stocks

INDUSTRIALS—*Continued*

	Pre-War Period 1909-1913		War Period 1914-1918		Post-War Period 1919-1924		1925		Last Sale	Div'd $ per
	High	Low	High	Low	High	Low	High	Low	Jan. 21	Share
Am. Tobacco	*530	*200	*256	*123	*314½	82⅛	89⅝	85½	87¼	7
Do. Com. B	..	..	..	..	*210	81¼	88¼	84⅝	86¼	7
Am. Water Wks & Elec.	..	..	..	..	*144	*4	39⅞	34⅜	36⅛	1.20
Am. Woolen	40⅛	15	60⅞	12	169⅛	51¼	64⅜	57⅝	58⅛	..
Do. Pfd.	107¾	74	102	72½	111⅞	88½	96⅛	95	95¼	7
Anaconda Copper	54⅛	27⅛	105⅜	24¾	77⅞	28⅛	46	44⅝	45	3
Associated Dry Goods	..	..	28	10	140½	48	152	128	149	5
Do. 1st Pfd.	..	..	75	50⅛	94	49⅞	94½	94	†94½	6
Do. 2nd Pfd.	..	..	49⅛	35	102⅝	38	104	101	†104	7
Associated Oil	..	..	*78¼	*52½	*142	24⅞	36	33	34¼	1½
Atl. Gulf & W. Indies	13	5	147¾	4½	192¾	9⅛	25¾	20	24¼	..
Do. Pfd.	32	10	74¾	9⅜	76½	6¾	38	31	37½	..
Atlantic Refining	..	..	..	..	*1575	78½	110½	95½	105	..
Austin Nichols	..	..	..	..	40⅜	8	32½	27½	28½	..
Do. Pfd.	..	..	..	..	91	50⅝	89¾	89	89	7
Baldwin Locomotive	60⅛	36½	154½	26⅝	156⅛	62¼	137⅞	128¼	131⅝	7
Do. Pfd.	107½	100⅛	114	90	118	92	116¼	115	116	7
Bethlehem Steel	*51⅝	*18¾	155½	59¾	112	37¾	53½	50⅛	50½	..
Do. 7% Pfd.	80	47	186	68	108	87	98	95½	97½	7
Do. 8% Pfd.	..	..	110½	92½	116⅛	90	112½	110½	112¾	8
Bklyn Edison Electric	134	123	131	87	124⅝	82	133	120⅜	128	8
Brooklyn Union Gas	164½	118	138⅜	78	128	41	83	77⅛	83	4
Burns Brothers	45	41	161½	50	147	76	103⅜	94½	97¼	10
Do. B	..	..	..	..	53	19⅜	23⅛	20	21¼	2
Butte & Superior	..	..	105¼	12¾	37⅞	8	24⅜	20⅞	21¼	..
California Packing	..	..	50	30	106¼	48¼	106¼	101⅜	101½	6
California Petroleum	72½	16	42⅝	8	71⅞	15¾	27⅞	23⅞	26¾	1¾
Do. Pfd.	95½	45	81	29½	110½	63	106⅛	100	102½	7
Central Leather	51¼	16½	123	25⅞	116½	9⅝	20¾	19	19	..
Do. Pfd.	111	80	117½	94⅞	114	28⅛	58⅝	55	55⅝	..
Cerro de Pasco Copper	..	..	55	25	67½	23	55½	52¾	54	4
Chandler Motor	..	..	109⅞	56	141¼	26⅞	36⅞	30¼	30⅜	3
Chile Copper	..	..	39⅛	11⅛	38⅜	7⅛	37⅝	35½	35⅝	2½
Chino Copper	50⅛	6	74	31⅜	50⅞	14¾	27½	25	†24	..
Coca Cola	..	..	..	..	83⅛	18	91⅜	80	90⅜	7
Colorado Fuel & Iron	53	22½	66½	20½	55	20	48⅛	42½	43	..
Columbia Gas & Elec.	..	..	54⅛	14¾	114⅞	30¼	46	45⅜	46	2.60
Congoleum-Nairn	..	..	..	..	*184⅜	32⅜	43½	40½	41⅛	3
Consolidated Cigar	..	..	..	..	80	11⅛	30⅛	26½	28¾	..
Consolidated Gas	*165¼	*114½	*150⅛	*112½	*145¾	56⅜	78	76¼	77	5
Continental Can	..	..	*127	*37½	*131¾	*34⅜	70½	67	68	‡4
Corn Products Refining	26½	7⅜	50½	7	160½	31½	41½	38⅜	39	2
Do. Pfd.	98½	61	113½	58⅛	123¾	96	121	118⅛	118⅞	7
Cosden Co.	..	..	..	..	62¼	22½	32¾	26¾	30½	..
Crucible Steel	19⅝	6½	109⅞	12¾	278½	48	79¾	72⅝	76¾	4
Cuba Cane Sugar	..	..	76⅜	24⅞	59⅛	5⅝	13½	12¼	12⅝	..
Do. Pfd.	..	..	100½	77¼	87⅞	13⅛	60½	56⅛	57⅛	..
Cuban-American Sugar	*58	33	*273	*38	*605	10⅞	31½	29½	30¼	3
Cuyamel Fruit	..	..	..	..	74⅛	45⅛	55⅛	52⅝	52⅝	4
Davison Chemical	..	..	..	..	81⅛	20⅜	47⅜	42¾	44¾	..
Dupont de Nemours	..	..	..	..	169¾	105	146	134¼	141¾	8
Eastman Kodak	* No Sales		*665	*605	*690	70	118	110½	115¼	‡5
Electric Storage Battery	*64¼	*42	*78	*42¼	*153	37	70¾	62¼	64⅝	5
Endicott-Johnson	..	..	..	..	150	44	72	68⅛	69	5
Do. Pfd.	..	..	..	..	119	84	113½	112½	112½	7
Famous Players-Lasky	..	..	..	..	123	40	100⅝	94½	95¾	8
Do. Pfd.	..	..	..	..	108½	66	110	105¼	†105	8
Fisher Body	..	..	43	25	240	75	280	239	†264⅛	10
Fisk Rubber	..	..	..	..	55	5½	13⅜	12	12⅛	..
Do. 1st Pfd.	..	..	..	..	86	38½	85⅜	75½	..	4
Fleischmann Co.	..	..	..	..	90¼	37⅜	86½	82½	83	‡3
Foundation Co.	..	..	..	..	94⅝	58½	95¼	89½	93½	6
Freeport-Texas	..	..	70½	25¾	64⅜	7½	11¾	9⅞	10	..
General Asphalt	42⅞	15½	39⅜	14¼	160	23	63⅜	56½	56⅝	..
General Cigar	..	..	..	..	98⅝	47	98½	95⅞	98	8
General Electric	188½	129¾	187¼	118	322	109½	320	302½	310½	‡8
General Motors	*51¾	*25	*850	*74½	66⅞	*8⅛	73¾	64⅝	73⅛	5
Do. 7% Pfd.	..	..	..	..	103½	95⅛	106⅞	102	106½	7
General Petroleum	..	..	..	..	45	38⅜	44	42	43¾	2
Goodrich (B. F.) Co.	86½	15½	80¼	19⅝	93⅜	17	45½	36¾	42⅛	..
Do. Pfd.	109¾	73⅜	116¾	79⅞	109½	62½	96	92	95	7
Goodyear T. & R. Pfd.	..	..	..	..	90⅝	35	93⅜	86⅛	89	..
Do. prior Pfd.	..	..	..	..	108⅛	88	106⅞	103¼	106⅞	8
Granby Consolidated	78¼	26	120	58	80	12	21¼	19	19⅜	..
Great Northern Ore Ctfs.	88½	25½	50⅜	22½	52¾	24⅞	40⅜	35⅜	39	4
Gulf States Steel	..	..	137	58¾	104⅝	25	91¼	84	86⅛	5
Hayes Wheel	..	..	..	..	52⅞	31	43¾	37⅛	38	3
Houston Oil	25½	8¼	86	10	116½	40½	83½	77½	79⅜	..
Hudson Motor Car	..	..	..	..	36	19½	36	33¼	34⅜	3
Hupp Motor Car	..	..	11¾	2½	29⅛	4⅜	19⅛	15½	15¾	1
Inland Steel	..	..	..	..	48⅜	31⅛	47½	45¾	46	2½
Inspiration Copper	21⅛	13⅜	74⅜	14¼	68⅞	22⅛	32¾	29⅝	29⅜	..
Inter. Business Mach.	..	..	52⅜	24	118⅞	28¾	119½	113	112⅝	8
Inter. Combustion Eng.	..	..	..	..	39	19⅝	37¼	32⅜	32¾	2
Inter. Harvester	..	..	121	104	149⅜	66¾	110¼	105⅛	..	5
Inter. Merctl. Marine	9	2⅛	50⅜	⅝	67¼	4⅞	13⅞	12⅛	12⅜	..
Do. Pfd.	27⅝	12½	125⅝	8	128½	18½	48¼	43⅜	45½	..
Inter. Nickel	*227¼	*135	57½	24½	33⅛	10⅛	27½	25⅛	26	..
Inter. Paper	19¾	6½	75½	9½	91⅜	27⅞	62	55⅛	57	..
Invincible Oil	..	..	..	..	47⅛	5½	22⅜	15½	..	..
Kelly-Springfield Tire	..	..	85¼	36⅞	164	9¾	17¾	14⅝	14⅜	..
Do. 8% Pfd.	..	..	101	72	110¼	33	..	..	†43¾	..
Kennecott Copper	..	..	64⅛	25	57¾	14⅜	57¾	54	54¾	..
Kinney (G. R.) Co.	..	..	..	..	86¼	35½	87	80	80	..
Lima Locomotive	..	..	..	..	74⅞	52	74⅜	69	†70	4
Loew's, Inc.	..	..	..	..	38¾	10	25	22¼	23½	2
Loft, Inc.	..	..	..	..	28	5½	6⅞	6⅛	6¼	..
Lorillard (P.) Co.	*215½	*150	*239⅞	*144½	*245	33⅜	36⅛	34	34⅛	3
Mack Trucks	..	..	..	..	170	25½	124⅜	117	120	6
Magma Copper	..	..	..	..	45⅝	26⅛	44⅛	40	41¾	..
Mallinson & Co.	..	..	..	..	45	8	35⅜	31¼	35¼	..
Maracaibo Oil Explor.	..	..	..	..	37½	16	30⅝	27⅝	28	..
Marland Oil	..	..	..	..	59⅝	12⅛	44⅜	38¼	44	..
Maxwell Motors, Class A	..	..	..	..	84⅛	35	81⅜	78	78⅞	..
Do. Class B	..	..	..	..	39¾	8	38	34⅛	34⅛	..

(Please turn to next page)

New York Stock Exchange

Price Range of Active Stocks

INDUSTRIALS—*Continued*

	Pre-War Period 1909-1913 High	Low	War Period 1914-1918 High	Low	Post-War Period 1919-1924 High	Low	1925 High	Low	Last Sale Jan. 21	Div'd $ per Share
May Department Stores	*88	*65	*97½	*35	*174¾	*60	111¾	105⅛	106½	5
Mexican Seaboard Oil	..	..	..	..	34½	5¾	22½	15	15½	..
Miami Copper	30¼	12¼	49¾	16½	32¾	14½	24¾	22¾	23½	2
Montgomery Ward	..	..	..	..	48½	12	55⅜	46½	52¼	..
National Biscuit	*161	*96½	*139	*79⅞	*270	35⅝	75	70⅛	70½	‡3
National Dairy Prod.	..	..	..	..	44½	30⅛	47⅝	42	46¾	3
National Enam. & Stamp.	30¼	9	54½	9	89½	18½	36⅞	33	35¾	..
National Lead	91	42½	74⅝	44	169¼	63½	166⅞	158	159¾	8
N. Y. Air Brake	98	45	136	55⅞	145¾	26⅝	56½	51	52½	4
Do. Class A	..	..	..	..	57	45⅛	57	55½	†55	4
N. Y. Dock	40¼	8	27	9¼	70¾	15¼	30⅞	26	†25½	..
North American	*87⅞	*60	*81	*38⅞	*119½	17½	44	41⅛	43	3.40
Do. Pfd.	..	..	..	..	50¼	31⅞	47	46⅝	46¾	3
Pacific Oil	..	..	..	..	69⅜	27½	57¼	53¾	56¼	2
Packard Motor Car	..	..	..	..	21	9⅞	16¼	15	15⅛	‡1.20
Pan.-Am. Pet. & Trans.	..	..	70¼	35	140¼	35⅛	67½	64	64½	4
Do. Class B	..	..	..	..	111¾	34⅛	67¼	63⅜	64⅜	4
Philadelphia Co.	59¼	37	48⅞	21½	57½	26½	57½	54½	54¼	4
Phila. & Reading C. & I.	..	..	..	..	54¾	34½	52½	48¼	49	..
Phillips Petroleum	..	..	..	..	69⅜	16	40⅞	36⅝	40⅛	2
Pierce-Arrow	..	..	65	25	99	6⅛	15	13⅛	13½	..
Do. Pfd.	..	..	109	88	111	13½	51½	47⅛	48	..
Pittsburgh Coal	*29⅜	*10	58¾	37½	74⅝	45	54½	48⅞	50⅜	..
Postum Cereal	..	..	..	..	134	47	103⅜	96	96½	4
Pressed Steel Car	56	18½	88¼	17¼	113¾	39	66⅞	61½	66⅞	..
Do. Pfd.	112	88½	109⅛	69	106	67	92½	87	88½	..
Pub. Serv. N. J.	..	..	..	..	70	39	69⅜	67⅛	69	5
Pullman Company	200	149	177	106½	151⅜	87¾	151¾	141⅛	142	8
Punta Alegre Sugar	..	..	51	29	120	24¾	47¼	39½	42½	5
Pure Oil	..	..	143⅞	31⅞	61⅞	16¼	31⅛	29¼	30	1½
Radio. Corp. of Am.	..	..	..	..	66⅞	25⅞	77⅞	64½	69⅜	..
Railway Steel Spring	54½	22⅛	78½	19	137½	67	141¼	133	133	8
Do. Pfd.	113⅜	90¼	105½	75	121½	92½	119	117	118¾	7
Ray Consol. Copper	27½	7½	37	15	27½	9⅞	16⅞	14⅝	14⅝	..
Replogle Steel	..	..	..	..	93½	7¼	23¼	19¾	20¼	..
Republic Iron & Steel	49½	15¾	96	18	145	40⅛	64⅜	57⅛	59⅜	..
Do. Pfd.	111¼	64½	112⅝	72	106¾	74	95	93½	†93½	7
Royal Dutch N. Y.	..	..	86	56	123⅜	40⅜	55	51⅛	51½	4.42½
Savage Arms	..	..	119¾	39⅞	94½	8⅞	90	83	87½	..
Schulte Retail Stores	..	..	..	..	129¼	88	116½	112¼	114½	8
Sears, Roebuck & Co.	124¾	101	233	120	243	54¼	172⅞	148	161¼	6
Shell Trans. & Trading	..	..	..	..	90¼	29⅛	43¼	41	†40½	2.06
Shell Union Oil	..	..	..	..	22½	12⅛	26½	22½	25⅞	1
Simmons Company	..	..	..	..	37	22	33⅛	32⅝	33⅛	2
Simms Petroleum	..	..	..	..	24	6½	26¾	22½	23⅞	50c
Sinclair Consol. Oil	..	..	67⅛	25¼	64¼	15	19½	17	18½	..
Skelly Oil	..	..	..	..	35	8⅝	26½	24⅛	25½	..
Sloss-Sh. Steel & Iron	94⅝	23	93¼	19½	89	32⅛	86½	82	83¾	6
Standard Oil of Calif.	..	..	..	..	135	47⅛	64¼	61⅝	62¼	2
Standard Oil N. J.	*448	*322	*800	*355	*212	30⅞	42½	40¼	41⅞	1
Do. Pfd.	..	..	..	..	119⅛	100⅛	118⅜	117⅛	118	7
Stewart-Warner Speed.	..	..	*100½	*43	*181	21	77⅞	70⅛	72⅛	5
Stromberg Carburetor	..	..	45¼	21	118¾	22⅛	79¾	70	71⅞	6
Studebaker Company	49½	15¾	195	20	151	30½	46¾	42⅞	43½	4
Do. Pfd.	98⅛	64½	119½	70	118¼	76	114½	114½	†114	7
Tennessee Cop. & Chem.	..	..	21	11	17¼	6¼	9⅛	8⅝	8⅝	..
Texas Co.	144	74½	243	112	57¾	29	45	42¾	44½	3
Texas Gulf Sulphur	..	..	..	..	110	32⅝	108¾	101½	103⅜	7½
Tex. & Pac. Coal & Oil	..	..	..	..	195	5½	15¼	11½	14¼	..
Tide Water Oil	..	..	225	165	275	94	137	130	132¾	4
Timken Roller Bearing	..	..	..	..	45	28½	41	38⅝	38¾	3¼
Tobacco Products	145	100	82⅜	25	115	45	77½	70	76½	6
Do. Class A	..	..	..	..	93½	70½	98⅜	93⅛	96⅝	7
Transcontinental Oil	..	..	..	..	62⅝	1¼	5½	3⅞	5	..
Union Oil of Calif.	..	..	..	..	39	35	39⅜	37¼	37¾	1.80
United Cigar Stores	..	..	*127⅞	*8⅜	*255	42½	66	60¼	64¾	3¼
United Drug	..	..	90⅞	64	175⅛	46¼	120¾	116½	116½	6
Do. 1st Pfd.	..	..	54	46	58⅛	36⅝	54½	52	52½	3.50
United Fruit	208½	126½	173	105	224⅞	95¼	231	207	212½	10
United Ry. Investment	49	16	27½	4¼	41	6	26¾	21¼	†20½	..
Do. Pfd.	77	30	49¼	10½	64⅞	14	61	55¼	56	..
U. S. Cast I. Pipe & F.	32	9¼	31⅞	7¼	169⅝	10½	172	160	165	..
Do. Pfd.	84	40	67½	30	104¼	38	103½	103½	†103½	7
U. S. Indus. Alcohol	57¼	24	171½	15	167	35¼	88	81½	82¾	..
U. S. Realty & Imp.	87	49¾	63¾	8	143½	17¼	129	120	123½	8
Do. Pfd.	..	..	..	..	143	97½	..	..	..	7
U. S. Rubber	59½	27	80½	44	143¾	22½	44½	40⅜	42	..
Do. 1st Pfd.	123½	98	115¼	91	119½	66½	97⅞	94¼	95	8
U. S. Smelt., Ref. & Min.	59	30⅜	81½	20	78¼	18⅜	39	36⅝	36⅞	..
U. S. Steel	94⅞	41¼	136⅝	38	121	70¼	126⅛	119¾	126¼	‡5
Do. Pfd.	131	102½	123	102	123½	104	124¾	122⅝	124¾	7
Utah Copper	67½	38	130	48½	97½	41⅛	92	86	†89	4
Utah Securities	..	..	27⅜	9⅛	46	7	51¾	42	50	..
Vanadium Corp.	..	..	..	..	97	19⅛	31½	28	28½	..
Western Union	86¼	56	105½	53⅜	121¼	76	124⅝	116¼	120⅝	7
Westinghouse Air Brake	141	132½	143	95	124½	76	114	105¼	106¾	6
Westinghouse E. & M.	45	24¾	74⅞	32	71⅜	38⅞	84	71⅜	75¾	4
White Eagle Oil	..	..	..	..	34	20	30	28	29	2
White Motors	..	..	60	30	86	29¼	76	71	73½	4
Willys-Overland	*75	*50	*325	15	40¼	4½	10⅞	9½	9¾	..
Do. Pfd.	..	..	100	69	98¼	23	80	72½	75	..
Wilson & Co.	..	..	84¼	42	104⅞	4⅛	8¼	6¾	7¾	..
Woolworth (F. W.) Co.	*177⅞	*76½	*151	*81½	*345	72½	125⅞	118⅜	120¼	3
Worthington Pump	..	..	69	23½	117	19⅞	70¾	66½	67⅜	..
Do. Pfd. A	..	..	100	85⅞	98½	65	88	86⅞	88	7
Do. Pfd. B	..	..	78⅜	50	81	53½	73⅞	71⅛	72	6
Youngstown Sh. & Tube	..	..	..	..	80	59¾	76	70	73	4

* Old stock. † Bid price given where no sales made. ‡ Not including extras. § Payable in stock. ¶ Partly stock.

ANSWERS TO INQUIRIES

(Continued from page 585)

the demand, and may turn out to be "good business." Nearly all the large automobile manufacturers have adopted the same policy; that is, reduced the prices on their closed models. Price reductions made by Packard will naturally reduce the margin of profit per car, but it is anticipated that sales will be increased sufficiently to largely offset this. The company is in very strong financial condition, balance sheet as of November 30th, 1924, showing current assets of 30.7 millions as against current liabilities of only 3.2 millions.

WESTERN ELECTRIC COMPANY

Preferred a Sound Investment

I have 100 shares of Western Electric preferred yielding me about 6½%. Should not this stock sell at a lower basis, say 6 per cent at least? Incidentally, where does the company fit into the Radio situation?—L. A. K., Detroit, Mich.

In view of the stability of the Western Electric Company's business, manufacturing as it does practically all the electrical equipment for the American Telephone & Telegraph Company, and in view of the substantial earning power which at the present time is sufficient to cover preferred dividends more than five times over, this stock is entitled to high investment rating among preferred issues. Western Electric also manufactures various types of radio equipment, a recent product being a new type of loud speaker which has been very favorably received. At present levels, we consider Western Electric preferred stock attractive, as it appears out of line with preferred issues of similar grade. In our opinion, the stock is entitled to sell, under present conditions in the money market, at close to a 6% basis.

ALLIS-CHALMERS

Earnings Increase

Several years ago on your recommendation I bought Allis-Chalmers at 43 and just recently paid 65 for 50 shares, bringing my total holdings to 100 shares and an average of 54. Would you advise me to take my profit or hold on? A friend advises me that it would be a good policy to take profit on the first 50 shares I bought. Does the recent advance mean that the dividend may be increased?—K. A. G., Brooklyn, N. Y.

While Allis-Chalmers has not issued its report for 1924, the management estimates earnings equivalent to about $8 a share on the common stock, which compares with $6 a share earned in 1923. Business of the company is reported as having steadily improved in the past few months, and indications are that earnings this year will exceed the 1924 figure. The company is in unusually strong financial condition, and an increase in the present dividend rate of $4 appears entirely justified. The advance in the market

price of the stock apparently is discounting some such development. At present levels we feel that the stock has quite fully discounted the favorable factors in the situation, and our advice is that you take profits on your entire holdings.

PAIGE DETROIT

Par Value of Stock Changed

What is the real reason for the Paige Detroit Motor Car Company changing its common stock from $10 par to no par? Don't you think it would be a good time to sell my stock? I have always been afraid of the change from a definite par to no par—but this may be because I do not know the reason for making such a change. Please enlighten me.—E. M. C., Newark, N. J.

The change in par value of Paige Detroit Motor Car stock from $10 par to no par should not be considered an unfavorable development in any way. As a matter of fact, the par value of a stock is of no particular significance, and changing the par value does not increase or reduce each shareholder's interest in the company. A very large number of important companies have changed their common stocks to no par value, and Paige Detroit in making such a change is following the recent procedure. One reason why the no par value stock is frequently favored is because it enables a company to carry its stock in the balance sheet at a proper value, whereas if the stock has a par value it must be carried in the balance sheet at par, even though par represents an inflated valuation. Competition in the automobile industry is unusually keen at the present time, and as a result there have been quite a few price cuts, which in the case of many companies may result in smaller profits. We consider it advisable to dispose of Paige Detroit stock at this time.

CENTRAL LEATHER

Improved Outlook

What is the outlook for Central Leather? I have held 100 shares for about six years, carrying it all through the depression in the leather industry. Is the company earning money at a rate that promises to enable it to pay off the accumulated dividends on the preferred and put the common in line for a share of the profits?—C. P. W., Washington, D. C.

The leather situation generally, and the affairs of Central Leather in particular appear to have rather definitely turned for the better. Although Central Leather has passed through a very trying period, and has had to write off many millions in inventory losses, nevertheless it is now in reasonably sound financial condition. It is in a position to take full advantage of better conditions in its industry. In the last quarter of 1924 it is estimated that earnings were in the neighborhood of $350,000, and prospects for the current quarter are regarded as encouraging. There are 25% accumulated dividends due on the preferred issue, and while earnings up to the present time have not been good enough to warrant payment of back dividends, they may increase sufficiently to justify some action along

these lines in the future. Having held the common stock through all the troubles which have beset the company, we do not consider it good policy to dispose of it now that the situation has improved, even though dividends on this issue appear far removed.

UTAH COPPER
NEVADA CONSOLIDATED
Switch Is Suggested

Among my copper stocks are Utah Copper ... which cost me 66 and Nevada Consolidated ... 15, the latter being bought by me because Utah then owned 51 per cent of its stock. Now that Utah is gradually being absorbed into Kennecott I am wondering (a) whether to shift the Utah into Kennecott, and (b) whether to sell my Nevada Consolidated and put the proceeds into some other copper stock. —M. N. W., Boston, Mass.

With copper selling around 15c a pound both Utah Copper and Nevada Consolidated can earn substantial profits, and as the outlook appears favorable for the copper industry, we consider both stocks to have reasonably good prospects of advancing further. On the other hand, Kennecott is now the dominant interest in the copper industry controlling very low cost producing properties in Alaska, South America and the United States. Considering the question from every point of view we consider Kennecott the more desirable holding and suggest that you make the switch.

GULF STATES STEEL
Earned $8 a Share

In January, 1922, I bought 25 shares at 53 and sold it a few days later at 70. It ran up very rapidly to 90, and I bought my stock back at 85 on a tip that the reaction was only a momentary recession and that he would get several hundred dollars a share for it within a few months. Would you take the present opportunity of getting out about even? —E. P. H., Milwaukee, Wis.

Based on earnings reported for the first nine months of 1924, earnings for the full year of Gulf States Steel should be approximately $8 a share, compared with $12.79 a share earned in 1923. In view of conditions in the steel industry last year this is a relatively good showing. This company is one of the few steel organizations that is entirely free from funded debt, capitalization consisting of 2 million dollars 7% cumulative preferred and 11.2 million dollars of common, of a par value of $100. Its plants are located in the South, and the improvement in industrial conditions witnessed in that section in the past few years has been of material benefit to the company. From a long range viewpoint we are favorably disposed toward this stock, but it is well to realize that security prices generally are now at a very high level, and may be subject to substantial reactions. As Gulf States Steel common is subject to rather wide market fluctuations, we believe it advisable to dispose of the stock at this time, particularly as you can do so without loss. On the other hand, if you are not interested in intermediate fluctuations, you would be

justified in holding. This is for you to decide.

PENNOK OIL
In Tonkawa Pool

What do you think of the new Pennok Oil shares of which I hold 100 at a cost that may be placed around 20? Do you think the company should be able to profit, particularly during the next year, or would you think it better to switch into something else at this time?—M. J. C., New York City.

The important producing properties of Pennok Oil are located in the Tonkawa Pool. In the past year the company has been very successful in bringing in producing wells, and its present production from this pool is around 9,000 bbls. daily. With the price tendency of oil upward, we consider the outlook for the company satisfactory; but as its production nearly all comes from one locality, it naturally is more speculative than the stock of an oil-producing company whose holdings are more diversified. It is our opinion that by switching to Pure Oil you would reduce your risk and have a stock with just as good prospects for price appreciation. Pure Oil is a complete unit in the oil industry, being a producer, refiner and marketer. Financial condition is sound, and it holds oil lands in the more important producing fields of the United States east of the Rocky Mountains.

SCHOOL FOR TRADERS & INVESTORS

(*Continued from page* 586)

to change. The immediate *fluctuations* may be of little consequence, but a gradually developing *tendency* may be highly significant, and this is the manifestation that our student is really searching for. The accompanying graph will help to illustrate our point.

The student should realize, however, that no rule can be laid down, with regard to charts and records, that will take the place of actual trading experience, involving frequent and repeated interpretation of price changes over a considerable period of time. In stock trading, as in many other lines of endeavor, a little knowledge may be a dangerous thing.

MAKING ENDOWMENT INSURANCE YOUR BASE

(Continued from page 579)

turing at age 65 for $10,831 in cash, or $1,000 a year as long as I live, ten payments guaranteed.

$10,000 Term Insurance, taken out primarily for the protection of my family but which I am planning to convert into Endowment at 65 at the rate of $2,000 a year.

$1,100 Group Life Insurance, on my life, payable in a lump sum, which I have designated as a "clean up" policy to cover debts, unpaid bills, taxes, etc.

(2) The Income-Producing Division:

10 shares American Telephone & Telegraph.

10 shares Endicott-Johnson common.

7 shares American Tobacco "A".

5 shares Tobacco Products "A".

5 shares International Tel. & Tel.

Practically all these shares were bought at considerably lower levels than those now prevailing, largely as the result of THE MAGAZINE OF WALL STREET recommendations. They were purchased primarily for yield, but will be sold if they reach a point where the yield no longer looks attractive. They are not so diversified as they might be, but changes and new additions will tend to correct this.

(3) The Speculative Divisions:

5 Famous Players-Lasky common, bought below 70.

5 Int. Cement, bought after reading in THE MAGAZINE OF WALL STREET about it, at 40.

5 American Woolen, bought at about $73. (I suppose a fellow has to grab off a lemon or so every now and again to keep him from getting too swell-headed).

5 Hayes-Hunt, bought from a very persuasive salesman—the first and last security I intend to purchase in this manner. There are plenty of good ones listed on the "Big Board". Why seek elsewhere?

I am finding that my plan works, as I hoped it would. The Endowment Insurance takes care of itself—requires no watching and leaves me free to devote my surplus attention to my other holdings.

My plan may not bring me affluence, but it has already given me a lot of pleasure in working it out.

Ask Mrs. Clarendon if she would endorse it from the Insurance standpoint!

ARE BANKS TREATING THEIR CUSTOMERS TOO LIBERALLY?

(Continued from page 590)

it is hardly sincere with the latter; and if, on the other hand, it undertakes to grant a specific rate on all deposits above a minimum, but adopts its own methods of figuring the presence of that minimum (as "collected" or "uncollected") it is likewise engaging in a kind of competition which is undignified, to say the least, and is likely to offend the depositor when (and if) he finds out about it.

To sum up what has thus far been said, it is a fact that at the present time there is a good deal of undignified and unsatisfactory, in some cases underhand, competition between banks themselves, and discussion between banks and their depositors with reference to a problem whose elements ought to be perfectly well recognized. This competition is neither good for the banker nor for the depositor, and at the present moment the payment of excessive interest charges by banks is a very serious general evil.

Fixing Fair Rates

This problem never will be disposed of until the banks in every community agree on two things. Of these, the first is the more important and is the establishment of conditions under which an account is subject to interest at all. It would certainly not be an undesirable restriction upon competition if bankers should come to an agreement as to the proper place of interest in banking, and should undertake to abide by certain rules or regulations designed to restrict payment of interest on certain types of accounts. Granting that what is thus suggested should be applied, it would in no way hurt the depositor since he knowing the facts could then reach his own conclusion as to whether he would carry his funds in one class of accounts or in another, or as to how he would divide them between two or more classes. It would, however, relieve the banker from a great deal of individual pressure and would thus tend to bring about a much sounder state of things in banking generally.

This would leave it open to the banker to fix the actual rate of interest which he was willing to pay his customer. Competition would then be very much more open and above board than it is at the present time, and the depositor would know far more accurately than at present what the rate of interest allowed him was worth. As things stand he really has very little information on that subject since the banker, if he wishes to do so, can by shifting the basis of competition or by altering slightly his definition of collected or non-collected funds, give him a position

(Please turn to page 607)

KEEP POSTED

The books, booklets, circulars and special letters listed below have been prepared with the utmost care by investment houses of the highest standing. They will be sent free on request, direct from the issuing house. Ask for them by number.

We urge our readers to take full advantage of this service. Address, Keep Posted Department, Magazine of Wall Street, 42 Broadway, New York City.

THE STORY OF THE STRAUS PLAN

This booklet explains why this large first mortgage real estate bond firm can truthfully say that they have sold these securities for forty-two years without loss to any investor. (217)

THE PARTIAL PAYMENT

method of purchasing good securities in odd lots and full lots on convenient terms is explained in a free booklet issued by an old established New York Stock Exchange House. (224)

ODD LOTS

A well known New York Stock Exchange firm has ready for free distribution a booklet which explains the many advantages that trading in odd lots offers to both small and large investors. (225)

FOUR DISTINGUISHING MARKS

This 8-page booklet, issued by one of the largest first mortgage real estate bond houses, shows you how to "check up" first mortgage real estate bonds. Send for (264).

A QUESTION ANSWERED

An extremely interesting illustrated booklet explaining how a stock exchange firm handles out of town business. It shows how orders are treated from the time the letter arrives to the final placing of the certificates purchased. (278)

USE OF OPTIONS

The exceptional profit possibilities in Stock Option and their uses to supplement margin and for protection against losses in the Stock Market fully explained in a free circular (284).

THE THRESHOLD OF PROSPERITY

An interesting book outlining a practical method for getting ahead, describing an interesting form of bond investments. Written in clear, nontechnical language, and contents can be absorbed in 10 minutes. (285)

THE SAFETY OF SAVINGS

Would you like to get 6% for your money and know that it is placed in an institution equally as safe as a savings bank? Send for this money-saving booklet. (293)

HOW TO JUDGE SOUTHERN MORTGAGE BONDS

This free booklet contains the net of this old-established Company's experience in the First Mortgage Investment Field in the South. Ask for (302).

6% AND SAFETY LIST

For over fifty years we have been assisting investors in the selection of sound securities and our information department has recently compiled this list which we will send you free. Ask for (313).

UNLISTED UTILITY BOND INDEX

(IN ORDER OF PREFERENCE)

POWER COMPANIES

	Investment Grade	Bid Price	Asked Price	*Yield
Indiana Power Co. 7½s, 1941	B	104	106	6.90
Nevada-California Electric 1st 6s, 1946	B	96½	97½	6.20
Tennessee Power Co. 1st 5s, 1962	A	90½	91½	5.45
Appalachian Power Co. 1st 5s, 1941	A	96	96¾	5.30
Alabama Power Co. 1st 5s, 1946	A	96	97	5.25
New Jersey Power & Light 1st 5s, 1936	B	92½	94	5.70
Illinois Power & Light 1st & Ref. 6s, 1953	B	100½	101½	5.90
Parr Shoals Power Co. 1st 5s, 1952	B	93¾	95	5.30
Appalachian Power Co. 7s, 1936 (Non-Callable)	B	105	106¼	6.30
Binghamton Lt., Heat & Pwr. 1st Ref. 5s, 1946	B	94½	96	5.25
Idaho Power Co. 5s, 1947	A	93	94	5.45
Texas Power & Light Co. 1st 5s, 1937	B	97	98	5.25
Central Indiana Power 1st Col. & Ref. 6s, 1947	C	95½	96½	6.30
Central Ga. Power Co. 1st 5s, 1938	B	93	94¼	5.65
Kansas Electric Power 1st Series A 6s, 1937	B	97¾	98¾	6.20
Consumers El. Lt. & Pwr. New Orleans 1st 5s, 1936	B	93	94¼	5.05
Niagara Falls Power 1st & Cons. Mtge. 6s, 1950	A	105	106½	5.55
Washington Coast Utilities 1st Mtg. 6s, 1941	B	99½	101	5.90
Ohio Power Co. 1st Ref. 7s, 1951	A	106¼	107¼	6.45
Great Western Power Co. 5s, 1946	A	95¾	96¼	5.35
North Carolina Public Service 1st 5s, 1934	B	89	90½	6.40
Public Service Corp. of N. J. 6s, 1944	B	98	99½	6.05
Yadkin River Power 1st Mtge. 5s, 1941	A	96¼	97	5.25
Mississippi River Power 1st 5s, 1951	A	96½	97½	5.20
Nebraska Power Corp. 1st 5s, 1949	A	97	98	5.15

GAS AND ELECTRIC COMPANIES

	Investment Grade	Bid Price	Asked Price	*Yield
Wilmington Gas Co. 5s, 1949	B	87	89	5.80
Cons. Cities Light, Power & Traction 1st 5s, 1962	B	75½	76½	6.70
Seattle Lighting Co. Ref. 5s, 1949	B	85½	87	6.05
Burlington Gas & Light 1st 5s, 1955	B	86	88	5.85
Twin State Gas & Electric Ref. 5s, 1953	B	84	85½	6.10
United Light & Railways 6s, 1952	B	95¾	97	6.20
Tri-City Railway & Light 5s, 1930	B	96½	97½	5.65
Dallas Power & Light 6s, 1949	A	103	105	5.00
Oklahoma Gas & Electric 1st & Ref. 7½s, 1941	B	105	107	6.75
United Light & Railway 5s, 1932	B	93½	94½	5.80
Pacific Gas & Electric 1st & Ref. 5½s, 1952	A	98	98½	5.60
Rochester Gas & Electric 7s, Series B, 1946	B	109½	111	6.10
New York & Richmond Gas 1st Ref. 6s, 1951	C	99	100	6.00
Portland Gas & Coke 1st 5s, 1940	B	96	97½	5.25
Indianapolis Gas Co. 1st 5s, 1952	B	95½	98	5.25

TRACTION COMPANIES

	Investment Grade	Bid Price	Asked Price	*Yield
Galveston-Houston Electric Railway 1st 5s, 1954	B	85	87	5.95
Minn. Street Ry. & St. Paul City Ry., Jnt. 5s, 1928	B	95½	96½	6.20
Northern Ohio Traction & Light 6s, 1926	B	98½	99½	6.20
Knoxville Railway & Light 5s, 1946	C	88	90	5.80
Columbus Street Railway 1st 5s, 1932	B	95	96½	5.60
Kentucky Traction & Terminal 5s, 1951	C	76	78	6.75
Nashville Railway & Light 5s, 1953	B	94	95½	5.30
Memphis Street Railway 5s, 1945	C	73	74	7.50
Schenectady Railway Co. 1st 5s, 1946	C	56	59	9.55

HOLDING COMPANIES

	Investment Grade	Bid Price	Asked Price	*Yield
American Power & Light 6s, Series A, 2016	B	94	95	6.30
Standard Gas & Electric Co. 6s, 1935	C	91	90	6.55
Virginia Power Co. 1st 5s, 1942	B	88	89	6.05
General Gas & Electric s. f. 7s, 1952	B	100	103	6.75
American Gas & Electric 6s, 2014	B	96½	97	6.20
Middle West Utilities 8s, 1940	A	108	109	7.10
Jersey Central Power & Light 1st 6½s, 1948	B	106½	108	5.85
Southwestern Power & Light 1st Mtge. 5s, 1943	B	90	91	5.80
Central Power & Lt. 1st Pr. Ln. 6s, 1946	B	97½	99	6.05

TELEPHONE AND TELEGRAPH COMPANIES

	Investment Grade	Bid Price	Asked Price	*Yield
Southern California Telephone 1st & Ref. 5s, 1947	A	95	95½	5.35
Home Tel. & Tel. Co. of Spokane 1st 5s, 1936	A	96½	97½	5.20
Chesapeake & Potomac Tel. Co. (Va.) 1st 5s, 1943	A	97½	98	5.15
Houston Home Telephone 1st 5s, 1935	A	97½	99	5.05
Ohio State Telephone Co. Ref. 5s, 1944	A	98¼	99¼	5.05
Western Tel. & Tel. Collateral Trust 5s, 1932	A	99½	100	5.00

* Yield computed at the asked price.

WHAT BONDS ARE ATTRACTIVE TODAY?

(Continued from page 560)

than a medium of exchange. It is a commodity no less than cotton, wheat, sugar, or any other article of commerce.

If the latter rise in price, it means that more dollars will be required to purchase a given amount. Therefore, the individual who holds bonds, as well as the buyer at prevailing quotations, faces the prospect of reduction in effective income. This is equally true of the present day holder, despite the fact that his bonds may have been purchased at lower levels. Investment preferred stocks are affected in like manner. A list made up entirely of high-grade, low yield issues is particularly susceptible to this form of loss.

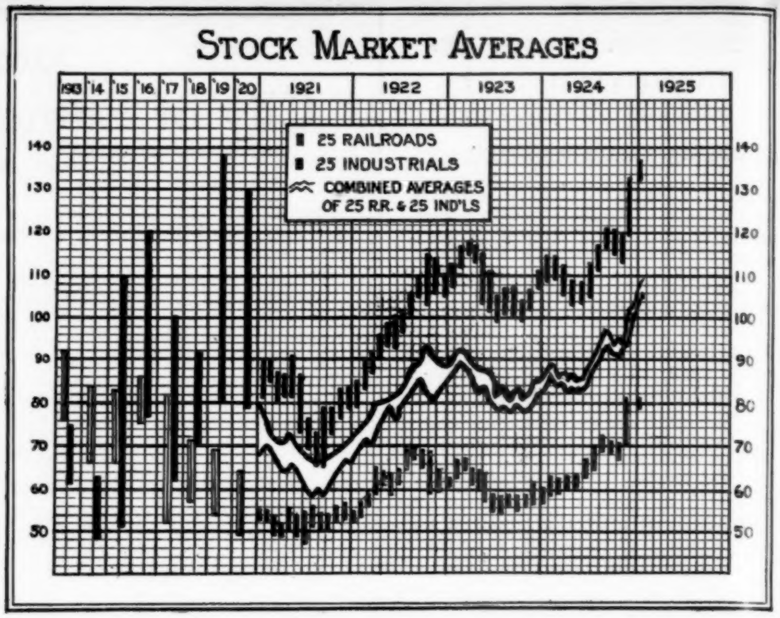
Meeting the Situation

The remedy for this situation is to seek a higher average return on invested capital. Gilt-edge bonds should be exchanged for attractive second-grade types. To carry the plan to its logical conclusion, several good preferred stocks and some investment common shares ought to be included. The last named participate in the larger profits which accrue to well managed companies during periods of business activity and high commodity prices. Hence, the owner of common stocks is compensated for the lower buying power of his dollar. By proper diversification of commitments, a sound position may be maintained.

Many of our readers may prefer to stick to bonds, however. In that case, a considerable improvement in return can still be effected. At practically every stage of the bond market cycle there are certain securities which are influenced more by developments pertaining to the respective companies than by general market considerations. These bonds are in the medium or second-grade division. The speculative classes are affected even more intimately by the trend of industry and earnings and by causes bearing upon these factors.

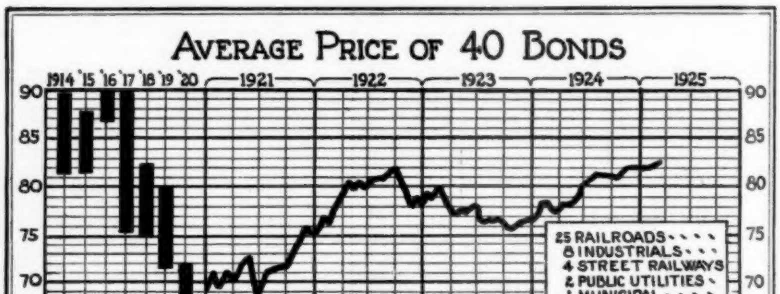
The appended list is submitted as one that should meet the requirements and bring the result sought. A number of high grade bonds have been retained to give the desired balance and diversification. The speculative issues were selected for yield, with due consideration of the prospect for appreciation in market value, based upon improving outlook for each company.

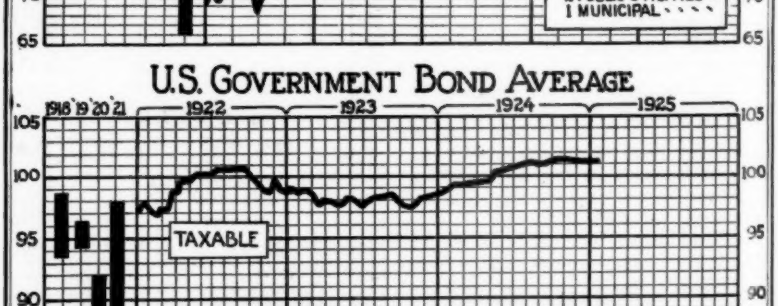
Opinions may differ as to bonds which might be included in such a grouping and designated as the "best ten." Nevertheless, these securities are representative of their respective types. Additional bonds, equally desirable, might be substituted by reference to the Bond Buyers' Guide in this issue.



MARKET STATISTICS

	N. Y. Times 40 Bonds	Dow, Jones Avgs. 20 Indus.	Dow, Jones Avgs. 20 Rails	N. Y. Times 50 Stocks High	N. Y. Times 50 Stocks Low	Sales
Thursday, Jan. 8	82.26	121.61	100.19	108.37	106.80	1,768,609
Friday, Jan. 9	82.40	122.32	100.78	109.05	107.75	1,944,989
Saturday, Jan. 10	82.57	122.16	100.40	108.90	107.83	1,144,039
Monday, Jan. 12	82.75	123.21	100.47	108.87	107.30	2,055,768
Tuesday, Jan. 13	82.82	123.56	100.53	108.97	107.75	2,061,925
Wednesday, Jan. 14	82.72	122.97	99.59	108.86	106.84	2,037,155
Thursday, Jan. 15	82.66	121.38	98.36	108.21	106.02	1,682,426
Friday, Jan. 16	82.63	121.71	98.41	106.92	105.15	1,699,030
Saturday, Jan. 17	82.79	123.13	98.90	107.47	101.06	826,566
Monday, Jan. 19	82.81	122.35	99.05	108.06	106.45	1,447,557
Tuesday, Jan. 20	82.75	121.74	98.46	106.87	105.71	1,153,211
Wednesday, Jan. 21	82.78	122.11	98.49	106.83	105.73	1,133,762





AN INTERESTING COMMUNICATION FROM THE WEST

Pierre, S. D., January 10th, 1925.

Editor, THE MAGAZINE OF WALL STREET,

Gentlemen:

As one of your new subscribers, I feel that there is much for me to learn from your wonderful Magazine.

One thing rather amazes me while reading recent comments on the present stock market to the effect that the railways of this great Northwest are too high in price.

Chicago and Northwestern at the present market pays about 6% interest on the investment, while Great Northern Pfd. and Northern Pacific are paying 7% on the present selling price; these stocks around $75.00 per share seem very cheap to me; they operate in such wonderfully productive open prairie country and seem to have such competent management. This region too has such splendid possibilities or certainties of vast future growth and development.

We have seen Northwestern sell at $270.00 per share, and Great Northern and N. P. a few years ago sold for years at a time around $140.00.

If our judgment is worth anything, we will predict that all of these stocks mentioned will be selling above par inside of two years.

When I compare the barrenness and lack of thrift of the great Southwest, with the richness and energy of this Northwest, it is indeed a marvel to me to read the present quotations for the different railways operating in both localities.

Even the much abused St. Paul Railway looks good to me when compared to some selling much higher; of course I know the debt and earnings must be considered, but let us not forget that St. Paul common now going begging at $16.00 has sold at $160.00 per share, and today it is worth more than it was then, in some respects.

The East is a timber country and the natural home of "bears," while this great West with its great outdoors and limitless prairies is the natural stamping ground for the "bulls," so I cannot help it if I am a bull or an optimist and will console myself with the knowledge that 99% of all our greatest financiers were "bulls" even though living among the bears. I never go back East but I am again impressed with what a fine set of folks live there and what a pity they were bears on this great West.

I am going to buy more of these Northwestern stocks, and no matter what the speculators of Wall Street may do, I will not sell them for less than par.

Here's wishing the best of everything for the Bulls of Wall Street and THE MAGAZINE OF WALL STREET.

Respectfully,

CHAS. L. HYDE, SR.

Over-the-Counter

IMPORTANT ISSUES

Quotations as of Recent Date*

Aeolian Co. pfd. (7)	80	— 88
Aeolian Weber	25	— 29
Aeolian Weber pfd. (7)	93	— 98
Allied Packers	8½	— 9½
Sr. Pfd.	22	— 25
Pr. Pfd.	60	— 65
American Arch (5P)	96	— 99
American Book Co. (7)	115	—120
Amer. Cyanamid (P)	117	—121
Pfd. (6)	80	— 83
Amer. Thread pf. (5%)	3¾	— 3⅞
Atlas Portland Cement (4)	111	—114
Babcock & Wilcox (7)	131	—133
Barnhart Bros. & Spindler:		
1st Pfd. (7) G	102	—105
2nd Pfd. (7) G	95	—100
Beaver Board pfd.	36	— 38
Common "A"	6½	— 7½
Common "B"	6¼	— 7½
Borden Co. (8)	139	—141
Pfd. (6)	103½	—105
Bucyrus Co.	116	—120
Pfd. (7)	100	—104
Burden Iron part. pfd. (8)	104	—107
Celluloid Co.	46	— 48
Pfd. (8)	96	—100
Congoleum Co. pfd. (7)	103	—104½
Continental Bak'g A (8)	110½	—112
B	24½	— 25½
Pfd. (8)	91¾	— 93
Crocker Wheeler	22	— 26
Pfd. (7)	74	— ..
Eisemann Mag. pfd. (7)	48	— 53
Franklin Rwy. S.	88	— 93
Hale & Kilburn pfd.	19	— 21
Ide (Geo. P.) & Co., Inc.	7	— 10
Pfd. (8)	67	— 70
Jos. Dixon Crucible (8)	135	—139
Ingersoll Rand (8P)	240	—250
Johns-Manville, Inc. (3P)	133	—136
Knox Hat	45	— 50
2nd Pfd.	55	— 60
Pr. Pfd. (7)	90	— 95
Lehigh Portland Cement (3)	65	— ..
McCall Corp'n	78	— 81
Pfd. (7B)	122	— ..
Nat'l Fuel Gas (5P)	107	—109
Nat'l Licorice Co. (5P)	70	— 80
Pfd. (6)	80	— 90
New Jersey Zinc (8P)	190	—193
Niles-Bement-Pond	29	— 32
Pfd.	50	— 56
Phelps-Dodge Corp'n (4)	123	—125
Pierce, Butler & Pierce (8)	100	—110
Pfd. (8)	x88	— 93
Poole Engin'g (Maryland):		
Class A	19	— 22
Class B	18	— 21
Royal Bak'g Powder (8)	148	—151
Richmond Radiator Co.	30	— 35
Pfd.	100	—105
Royal Bak'g Powder (8)	148	—151
Pfd. (6)	99	—101
Safety Car H. & L. (8)	117	—119
Savannah Sugar (6)	63	— 67
Pfd. (7)	82	— 85
Sheffield Farms (6)	130	— ..
Pfd. (6)	95	— 99
Singer Mfg. Co. (7)	196	—199
Singer, Ltd. (England)	4	— 4⅛
Superheater Co. (K)	120	—123
Technicolor, Inc.	4	— 6
Thompson-Starrett (4)	75	— ..
U. S. Trucking A	17	— 20
B	17	— 20
Pfd.	51	— 56
Victor Talk'g Mach. (8)	110	—115
Ward Baking Pfd.	93	— 96
Ward Baking "A"	118	—120
Ward Baking "B"	41	— 43
White Rock (K)	16	— 18
2nd Pfd. (5)	90	— ..
1st Pfd. (7)	95	— ..
Yale & Towne (4P)	68	— 70

* Dividend rates in dollars per share designated in parentheses.

B—Arrears being discharged at rate of 7% annually in addition to regular dividend rate.

G—Guaranteed as to principal and dividend by Amer. Type Founders.

K—Dividend rate on this stock not established.

P—Plus Extras.

x—Ex-Dividend.

Ward Baking Corporation: Ward Baking was formed in 1912, consolidating three Ward Companies (New Jersey, Pittsburgh and New York) with the Ohio Baking Co. of Cleveland.

In the first full year of operations, approximately $10,000,000 worth of Ward Bread and allied products was sold. By 1920, gross sales had risen to over $46,000,000.

The old company encountered deflation problems in 1921-1923, aggravated by other factors of a non-company nature. As a result, its sales in 1922 were nearly 25% below the 1920 peak; and, by the close of 1923 net earnings had declined over $400,000 from 1921's figure, while the records indicated a decided tendency toward capital congealment.

At this point, W. B. Ward stepped into the company, bringing with him a board of officers and directors which, with a single exception, entirely supplanted the former personnel. They formed the Ward Baking Corporation, with an authorized capital consisting of $50,000,000 preferred, 500,000 shares of no par "A" common and 500,000 shares of no par "B" common. The new corporation acquired more than 95% of the capital stock of the old Ward Co. Old Ward stocks were taken in on the basis of $100 New Preferred and 100 New "B" for $100 of Old Preferred; and 200 New "A" and 100 New "B" for $100 Old Common.

The effect of the management change was quickly felt. In detail, it

led to: A recovery in Gross Sales of about $2,000,000 in the first year of operations; an improvement in the ratio of net earnings to gross sales from about 8.50% to over 12.40%; an improvement in the Working Capital position, measured by an indicated gain for 1924 in the ratio of Current Assets to Liabilities from 4.36 for the old company to 5.60, as of September last, for the new corporation.

On the basis of estimated net earnings of $4,200,000 for the Ward Corporation last year, there would be a balance equivalent to over $25 per share on 81,109 shares of no par "A" common. This issue is entitled to $8 per share, after which it receives an additional $1 for every $1 in dividends paid on Class "B." Thus, the indicated net, as above, would show an additional $2.45 per share available for the "A" and "B" together.

The management of the Ward Corporation is quoted as estimating operating economies for 1925 whch, on the same gross business as in 1924, would yield 5% more profits. Should such an achievement prove actually possible, the earnings available for the "A" and "B" stocks would be proportionately increased. An increase in gross business might also conceivably eventuate this year, with improved business conditions and the good-will enjoyed by the present management contributing to it.

Ward Corporation's 7% preferred is now selling around 96, to yield slightly over 7%. The "A" sells around 125 and the "B" around 45. None of the three issues can be said to be at bargain levels, so far as the immediate position of the company is concerned. On the other hand, the excellence of the management, essential nature of the field, strong financial position of the company and substantial rate of earnings per share invest the "A" with speculative possibilities of no mean order. It sold a while ago at $160 per share. The company is better off today, with the stock 25% lower.

ARE BANKS TREATING THEIR CUSTOMERS TOO LIBERALLY?

(*Continued from page* 600)

which will materially modify the amount of interest he receives.

The depositor has no means of "checking up" upon the banker since he has no reliable information as to the basis of competition. He has to take what is given to him without comment even though he may feel that for reasons whose truth he cannot demonstrate he has been placed in an unduly unfavorable position. This is never a good frame of mind to permit to exist among depositors, and the banker is wise if he early establishes a condition of complete understanding between himself and his customers so that the latter

have no doubt what he is doing for them.

If we can then carry this further and obtain an understanding with other bankers so that suppressed or obscure competition of the sort just described, is eliminated and the competition is placed upon an open basis which is reflected in rates, fair treatment to the customer is much more nearly assured. At the same time the banker himself, eliminates a good deal of self-deception which is harmful to him.

Interest on Loans

Probably the practice of insisting on interest upon bank balances is more widely diffused in the United States than in any other country. It is not a mere coincidence that the rate of interest paid by commercial borrowers is, on the average, higher in the United States than in any other country. The banker must get from some source the money with which to pay interest and he does that by charging more to the customers. When it is remembered that the customers, themselves, are in part, at least, the depositors of the bank, the confused character of the present situation is evident.

If the practice of paying interest could be confined entirely to non-borrowing accounts the situation would be rather difficult because in that case the non-borrower would really be lending to the bank borrower through the banker. Even then it would probably be better if the non-borrower should invest his funds directly in the securities of reliable business concerns or in mortgages on real estate in which case general competition would eventually lower the commercial rate at banks. At the present time the items of "interest on deposits" included in bank over-head is probably fully one per cent of total deposits which would mean that if we take deposits of every kind as about forty billion dollars the interest paid by banks to depositors would be in the neighborhood of four hundred million dollars annually.

This, of course, is a rough figure but one which doubtless represents the approximate situation. *To put this very briefly, an important step will undoubtedly be taken when banks are induced to limit their payment of interest to those accounts which are non-borrowing and a further step in advance will be taken when non-borrowers are much more largely induced to become direct investors instead of holding their funds as savings.* This latter step must, of course, be deferred to the future for a good while yet, but there is a great deal to do in the way of reformation of the interest situation before we reach it.

Some Doubtful Practices

While the plain dictates of sound banking are thus on the side of simplification and tend in the direction of curtailment of interest the marked tendency of practice in recent years has been in the reverse direction. We now

have a good many banks carrying on compound interest departments while others conduct many kinds of hybrid business, as for instance where checking accounts are allowed a small rate of interest, provided that no more than a given number of checks per month is drawn. In fact, in many banks, there will be found a half-dozen or more bases upon which money can be deposited with varying rates of interest and conditions of use of funds.

The fact that the depositor is seldom automatically shifted from one basis to another, even when he is fully entitled to a higher rate, suggests how some banks avoid the consequences of their offer of extreme inducements to the depositor. Much more attention has been paid to the devising of schemes for inducing the depositor to shift funds from bank to bank than has been given to plans encouraging him to save, or to the advancement of his convenience.

Altogether, therefore, the trend of present banking competition, it must be admitted, is moving in the wrong direction and a good deal that is being done in a legislative way is injurious rather than the reverse. Some bankers recognize these facts in the case but, nevertheless, are inclined to view them as an inevitable phase of the present state of things and hence not to be striven against. More intelligent members of the profession take a different view and at the present time undoubtedly the direction of the best banking thought is toward reaching the various changes suggested above.

HOW LEADING EDISON COMPANIES COMPARE

(*Continued from page 563*)

All the bond issues, of which there are five, must be considered high grade investments but practically all issues are closely held and trading in the market is of small volume. The 5s of 1943 sell around par with the 6s of the same year at 109, showing a yield of 5½%, while the 5s of 1953 and 1954, selling around 98, giving a yield of slightly better than 5%. Issues should only be considered where high grade investment proposition is desired with consequent restricted yield.

The 8% capital stock of the company is traded in extensively in Chicago on the local stock exchange. The shares must be considered one of the best of those of the utilities, so of course the yield is necessarily restricted. At the current selling price of around 136, a yield of about 6% is shown.

Detroit Edison

Detroit Edison Co., operating as its name implies in Detroit and surrounding territory, is also one of the largest producers of electrical energy in this country. The company is one of the

North American Co. group of public utilities.

Here, too, the company is hard put to meet the expanding demand for electricity and indicating the huge sums of money being spent in the twelve months to May 31, next, it is estimated by the company that $25,000,000 will have been spent expanding and improving the property. The company naturally forged ahead with the automobile boom in Detroit, but so far no let-up of increased demand seems to be in sight.

An income account for the nine months to September 30, 1924, showed $8.39 a share actually earned on the stock but last three months of the year are usually heaviest from the viewpoint of consumption so that better than $12 a share should be shown for 1924.

The company has seven different issues of bonds outstanding, all of which must be considered good investment propositions. Chief interest centers on the 7% debenture issue convertible into stock at par and which follow closely the price of the stock. The 5% issues of 1933 and also 1940 selling around par give a yield of 5% and while good investment propositions offer little incentive to buy at these levels unless for strictly investment purposes.

Margin of earnings over and above dividend requirements is well above the average of utility companies and the stock selling around 115 listed on the New York Stock Exchange seems to be one of the attractive ones with a yield of better than 7% and with possibilities of rights from time to time which will increase the yield.

New York Edison

New York Edison Co., operating in New York City, is relatively unknown in comparison with the other Edison companies in view of the fact that it is a subsidiary of Consolidated Gas of New York and so its identity is submerged to a large extent. The company occupies an enviable position in regard to the territory in which it operates, which is probably the most thickly populated and congested to be found anywhere.

New York Edison Co. up to two years ago published its individual income account, but owing to revamping of method of accounting earnings are now lumped with those of the Consolidated Gas Co., and it is difficult to obtain accurate figures on earnings other than those obtained from figures filed with the Public Service Commission. The Public Service Commission figures show that $7.22 a share was earned on the capital stock owned by Consolidated Gas, or $14.44 a share on the old $100 par value stock. The shares were split up on the basis of two no par shares for each $100 share.

With the capital stock all owned by Consolidated Gas, public interest naturally centers on the bond issues which are publicly owned. In this connection an analysis of the income account shows interest charges on an average for five years earned four times over, an unusually high average which accounts for the high rating for the bonds.

At present, the subject of electric rates is being investigated by the local Public Service Commission to see if they are justified and it may be that some rate reduction may be forthcoming soon. However, this is in line with the general trend and need not necessarily affect earnings to any great extent. Brooklyn Edison, operating across the river in Brooklyn, recently announced a rate reduction which enhances the possibility of New York Edison Co. doing likewise.

Public interest centers in the 6½% bonds of 1941 as the other issues are practically all underlying bonds of subsidiary companies closely held. The 6½s of 1941 listed on the New York Stock Exchange are selling at 113, where the yield is around 5½%. *The issue is a high grade investment proposition and desirable for this purpose.*

Southern California Edison

In marked contrast with the other companies mentioned in this article, Southern California Edison Co. operates over a wide territory. The company is a consolidation of a group of smaller electric companies operating in ten counties in southern California. Approximately three-quarters of its electrical output is generated by water powers and the balance by steam making for low operating costs.

The company in the summer of last year in common with other Pacific coast utilities had considerable difficulty in obtaining sufficient water for its plants owing to low rate of precipitation earlier in the year, but this difficulty is now reported to have adjusted itself and for the 1924 year electrical output should show a 10% increase.

Southern California Edison has been spending large sums for expansion, increasing fixed charges and which is temporarily restricting earning power. Budget for1924 called for expenditure of $29,000,000.

There seems little to expect in the way of developments, as the company is steadily plodding along with its expansion program. An official of the company recently made the statement that there was no thought of any reduction in dividend of $8 on the common despite the heavy financing program, and an analysis of earnings over a period of years would indicate that the dividend is secure. The common stock selling at 104 is one of the lowest priced of the Edison stocks and shows a yield of 7.7%. *Naturally it is not as seasoned as the other Edison issues but can be classed as a good semi-speculative investment proposition.*

Among the bonds outstanding, public interest centers in the first general mortgage bonds of 1939, an investment proposition selling at par with a yield of 5%. The 6% bonds, 1943, seem more desirable than the 5s as the former, selling at 101, show a yield of close to 6% and at the same offer almost as good security.

KEEP POSTED

The books, booklets, circulars and special letters listed below have been prepared with the utmost care by investment houses of the highest standing. They will be sent free on request, direct from the issuing house. Ask for them by number.

We urge our readers to take full advantage of this service. Address, Keep Posted Department, Magazine of Wall Street, 42 Broadway, New York City.

THE PRUDENCE PARTIAL PAYMENT PLAN

An interesting booklet describing how guaranteed first mortgage Prudence Bonds may be purchased in small installments. Special features of the booklet are the chart which shows how money grows and the fact that the partial payments draw 5½% interest. (316).

AN UNUSUAL REFERENCE RECORD FOR INVESTORS AND TRADERS

Illustrated circular and samples of sheets used in superior loose-leaf system of eleven forms and monthly index, 7¾"x5". (260).

THE BACHE REVIEW

By reading this timely booklet but ten minutes a week you will be able to judge the market more accurately. Sent for 3 months without charge. (290).

BUILD YOUR INCOME ON PROSPERITY'S PATH

This booklet tells you of the wonderful investment opportunities offered by the marvelous growth and prosperity of Miami, Fla. Send for your free copy. (325)

THE FORMULA OF SAFETY

The salient features of this Formula of Safety as developed by an old established Bond and Mortgage House, are here set out for investors who would think before, rather than after, placing their funds. Ask for (327).

ELECTRICAL REFRIGERATION—A NEW INDUSTRY

An excellent pamphlet on this industry, treating specifically of the market possibilities of the stocks of some of the leading companies. (332).

SAVE MONEY

without sacrificing of safety of principal is the slogan of a well-known bond house specializing in odd lots. Plans and list of opportunities sent to all interested investors. Ask for (329).

FORGING AHEAD IN BUSINESS

This booklet tells in an interesting fashion the facts about the Alexander Hamilton Institute's Course in executive training for business men. Ask for (330).

BANKERS' SHARES ARE BEING OFFERED

in a well known motor manufacturing concern which earned $53.00 per share on its capital stock in the last fiscal year. According to estimates, the current year's earnings should be $90 to $100 per share. Detailed circular on request. Ask for (331).

SPECULATIVE OPPORTUNITIES

for profits exist in some of the Copper and Oil Stocks whose outlook for 1925 shows up good. A list of these stocks have been compiled by a leading stock exchange house in its current letter which will be sent free on request. (332).

Dividends

FAIRBANKS, MORSE & CO.

Preferred Dividend

Notice is hereby given that the regular quarterly dividend of one and three-quarters per cent (1¾%) has been declared on the outstanding 7% preferred stock of this company, payable on March 2, 1925, to stockholders of record at the close of business on February 14, 1925.

The transfer books will not close.

Common Dividend

Notice is hereby given that the regluar quarterly dividend of Sixty-Five cents (65c) per share has been declared on the outstanding common stock of this company, payable on March 31, 1925, to stockholders of record at the close of business on March 14, 1925.

The transfer books will not close.

F. M. BOUGHEY, Secretary.

Chicago, Illinois, January 22, 1925.

HOW A GREAT BANKER FEELS TOWARD HIS RICHES

(Continued from page 551)

and enjoyment of their families. Where else in the world will you see such comfort? Compare India, Russia, Italy and in fact, practically every other country.

"I do not feel that we ever need to worry about a revolution in this country. Revolutions spring from economic misery and, on the whole, we have little of it here. And, now that so many of our business leaders are convinced of the inherent right of labor to participate fully in the direction of industry and to enjoy a decent earning power, whatever economic misery exists in this country should be eliminated almost entirely.

"It will be a good thing for labor to have experience in running industry. They will then know how difficult it is. After they have had more experience along this line, they will be more in harmony with the attitude of our business leaders and have a better understanding of their problems.

"Adjustment of the attitude of labor and capital toward each other is inevitable. The captains of industry who still persist in refusing to deal with labor as an equal are doomed to a painful awakening. They should follow the example of their more enlightened and progressive associates who see the day coming, and not far in the future, when labor will assume its rightful position in the council of this nation's industries. If they have any sense at all, they will not regret this development. They will be truly happy to see it come about. This will mean a well-ordered state of things—not less but more profits and, more important, a sense of contentment in all classes throughout the land. While I appreciate that we have still to face many serious problems, I also recognize that we are taking steps in the right direction. They are not sensational. They are slow, but they fit in with the needs of this country and are a guarantee of domestic peace and economic progress. I do not fear for America."

For Feature Articles to Appear in the February 14th Issue

See page 563

Important Dividend Announcements

Note—To obtain a dividend directly from the company the stockholder must have his stoctk transferred to his name before the date of the closing of the company's books.

Ann'l Rate		Amount Declared		Stock Record	Payable
$5	Amer Bank Note....	$1.25	Q	2- 2	2-16
2	Amer Chain Cl A...	0.50	Q	3-21	3-31
7	Amer Sm & Ref pf..	1.75	Q	2- 6	3- 2
6	Asso Dry Gds 1st pf	1.50	Q	2-14	3- 2
7	Asso Dry Gds 2nd pf	1.75	Q	2-14	3- 2
7	A T & S. F. cm....	1.75	Q	1-30	3- 2
6	Borden Co pfd......	1.50	Q	3- 2	3-16
8	Borden Co cm......	2.00	Q	2-16	3- 2
4	Brazilian T L & P..	1.00	Q	1-31	3- 2
3.60	B'swick Blk Col cm.	0.90	Q	2- 5	2-16
4	Buckeye Pipe Line..	1.00	Q	2-20	3-14
8	Burns Bros cm A...	2.00	Q	2- 2	2-16
—	Burns Bros cm A..	0.50	Ext	2- 2	2-16
2	Burns Bros cm B...	0.50	Q	2- 2	2-16
6	Calif Packing cm...	1.50	Q	2-28	3-16
7	Canadian Conv Ltd..	1.75	Q	1-31	2-16
7	Canada Cement pf...	1.75	Q	1-31	2-16
1.50	Centrif Pipe Corp...	0.375	Q	2- 2	2.16
7	Century Ribbon pfd.	1.75	Q	2-16	3- 2
7	Congol-Nairn 1st pf.	1.75	Q	2-16	3- 2
4	Continental Can cm.	1.00	Q	2- 5	2-16
—	Continental Can cm.	5%	Spl	2- 5	2-16
7	Fairbands Morse pf.	1.75	Q	2-14	3- 2
2.60	Fairbanks Morse cm	•0.65	Q	3-14	3.31
7	General Cigar pf....	1.75	Q	2-20	3- 2
7	General Cigar deb...	1.75	Q	3-24	4- 1
8	General Cigar cm...	2.00	Q	1-23	2- 2
2.50	Gillette Saf Raz.....	0.625	Q	2- 2	3- 2
—	Gillette Saf Raz.....	0.125	Ext	2- 2	3- 2
3	Hudson Motor.......	0.75	Q	3-16	4- 1
1	Intertype Corp.......	0.50	Q	2- 2	2-16
—	Intertype Corp.......	0.25	Ext	2- 2	2-16
1	McIntyre Porc.......	0.25	Q	2- 2	3- 7
2	Miami Copper........	0.50	Q	2- 2	2-16
7	Nat'l Biscuit pf......	1.75	Q	2-14	2-28
3	Nat'l Biscuit cm....	0.75	Q	3-31	4-15
7	Nat'l En & Stpg pfd	1.75	Q	3-11	3-31
7	Nat'l Lead pfd......	1.75	Q	2-20	3-14
1.80	Orpheum Cir cm....	0.15	M	2-20	3- 2
5	Punta Alegre Sug..	1.25	Q	2- 2	2-16
2	Reading Co 1st pf...	0.50	Q	2-20	3-12
8	Sinclair Cons Oil pf.	2.00	Q	2- 2	2-16
7	Tobacco Prod Cl A.	1.75	Q	2- 2	2-16
6	United Drug cm....	1.50	Q	2-14	3- 2
7	U S Realty pf......	1.75	Q	3- 5	5- 1
8	U S Realty cm......	2.00	Q	3- 5	3-16
3	Woolworth (F W)..	0.75	Q	2-10	3- 2

WHAT THE NEWS MEANS

(Continued from page 583)

tween. Among certain groups of stocks which have not a، yet been overmanipulated may be mentioned the coppers and oils. The better class of these shares should eventually give a good account of themselves, especially in view of the strong underlying statistical position of both industries. Later on, perhaps, we shall hear something of the shipping and fertilizer shares.

* * *

Willys-Overland Pf. Dividend—

—is forecast in a letter to the company's stockholders by president John N. Willys. The company closed 1924 with cash and bank certificates more than sufficient to cover current liabilities and had no notes payable. "This (1925) should b، a very profitable year," said president Willys, "which should enable your directors at an early date to give consideration to important matters directly affecting the stockholders' interest." Incidentally, the Willys-Overland car was the best seller at the recent automobile show in New York.

* * *

High Record for Gasoline—

—consumption was set in 1924 according to preliminary figures. With December estimated, 8,905,000,000 gallons of gasoline were used in 1924, which includes exports. Domestic consumption and exports in 1923 amounted to 7,556,000,000 gallons. A significant fact that at this season of lowest consumption the demand for petroleum products is in excess of production.

* * *

Twenty-two Natural Railroad Systems—

—exist in the United States and these systems perform about 85% of the railroad service of the country, according to president Rea of the Pennsylvania. But further legislation is needful before American railroads can be consolidated into major systems. These natural consolidations should be allowed to proceed, Mr. Rea points out, but the danger of paper-made or legislative-made, artificial grouping should always be borne in mind.

* * *

Number of Steel Stockholders—

—totaled 174,831 at the close of last year. Of this total 78,962 were preferred and 96,317 were common shareholders. The total of common shareholders represented a drop of 200 as compared with the September quarter, 2,872 as compared with the June quarter and 2,395 compared with the first quarter of last year. A study of the fluctuations in the totals of Steel com-

mon stockholders shows that the number tends to become smaller as the stock rises and vice versa.

* * *

Commercial Failures—

—in the Southern District of New York last year were the lowest in number and volume since 1920. A striking fact is that over 70% of reported failures involved $10,000 or less. The excellent failures report for 1924 is a reflex of improved business conditions which, unless all prophecies fail, will continue this year.

* * *

American Can—

—has placed an order with the American Sheet and Tin Plate Company, subsidiary of the U. S. Steel Corporation, calling for the delivery of 4,500,000 boxes of tin plate. Based upon a price of $5.20 per box of 100 pounds, the order is valued at approximately $23,500,000. This is one of the largest orders for tin plate ever placed by any company and reflects American Can's activities.

* * *

"Oil Producers Are Optimistic—

—without exception" says the president of one of the largest oil-producing companies. This individual recently returned from a swing of the country during which he talked with almost every important oil man. The outlook is for a much better oil year than 1924. Reasons underlying this optimism are, consumption in excess of production in the present season of lowest demand, belief that the Wortham field has about reached its apex, and declining production of old fields with no big, new increase of production in sight.

* * *

Sterling at Par—

—is indicated within the next few weeks. Sterling has already reached $4.79. This represents international acknowledgment of the fact that Great Britain has placed her financial house in order. She is the first great European power to do so since the ending of the war. Restoration of parity to sterling places Great Britain in a direct position to compete with us in foreign financing.

* * *

A. H. Wiggin Sees Good Times—

—ahead because sound business rests on a sound industrial balance. The president of the Chase National Bank of New York says that 1924 saw two great constructive developments. The first was the rapid rise in the price of agricultural commodities and the second the inauguration of the Dawes plan in Europe. "A business situation in which farmers, railroads, manufacturers, mining interests and other producers of raw materials, all have their share of profitable activity, is wholesome and can be trusted to last a long time."

A Silk Exchange—

—in conjunction with the existent Cotton Exchange is being agitated by officials of the Cotton Exchange and the Silk Association of America. Plans will be drawn up and presented to the entire membership of the Silk Association. The silk trade sees in the establishment of the proposed market a settlement of the question of standards which has been one of the difficulties of the raw silk business for years.

* * *

Mexican Seaboard's Dividend Reduction—

—is but another example of the highly speculative oil situation in Mexico. With the old fields long past their best production days and most of them now possessing only "skimmer" wells the problem of developing new production to make up for the decline in the old fields, is a severe one, especially in view of the fact that many of the new wells quickly run to "salt."

INVESTMENTS FOR EVERYBODY

(*Continued from page* 556)

diversification which even rich men would have had trouble financing in the days of not-so-long-ago.

This is not an analytical story. However, it may not be out of place to say that a searching scrutiny of the merits of every offering of bankers' shares should precede any commitments in this field. Even diversification is not worth the price recently asked in the bankers' share field, where securities that could be purchased in the open market to cost an equivalent of $400 were sold, via the bankers' share method, at an equivalent of over $600! Watch the prices asked you, and the market prices of the securities involved; follow up with a little simple arithmetic; then decide whether you are paying too much or merely a fair and reasonable premium for the service supplied you under the bankers' share system!

Closely allied to the Bankers' Share idea is the Investment Trust, which is gaining increasing eminence in this country as a means of enabling the little fellow to spread his risk. What is an investment trust? Surely, no regular reader of these pages need ask that question. The Magazine was discussing the "investment association" idea before the thought of organizing public investment trusts on a large scale had yet penetrated these shores! Briefly, an investment trust is a trust organization, controlled by an organizing management, functioning according to certain express agreements and by-laws under which the funds of the trust may be invested, in the discretion of the directors, in specific security types, representing corporations or governments, or both.

The Radio Industry

Demand for Equipment Expected to Exceed Even Augmented Manufacturing Facilities in 1925

CHART 1

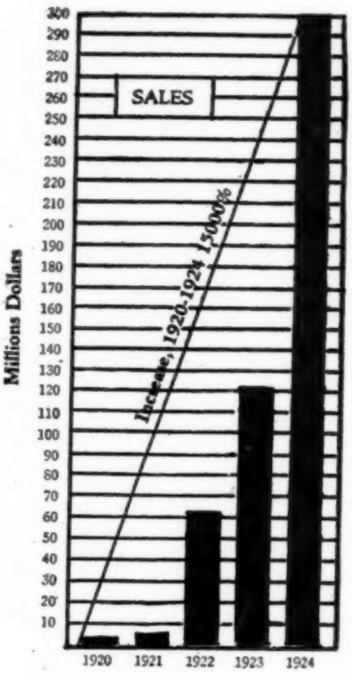
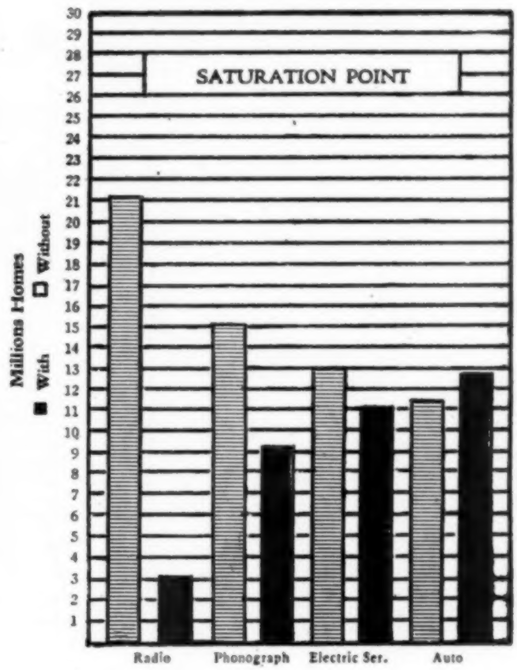


CHART 2



Sales of Radio Sets and Supplies

1924 Est..	$300,000,000
1923	120,000,000
1922	60,000,000
1921	5,000,000
1920	2,000,000

Homes

	WITH	WITHOUT
Radio	3,000,000	21,000,000
Phonograph .	9,000,000	15,000,000
Electric Ser..	11,000,000	13,000,000
Automobile ..	12,800,000	11,200,000

Sets in Use

1920	10,000
1921 Broadcasting introduced	
1922	60,000
1923	2,000,000
1924	3,000,000

The above charts graphically portray the phenomenal growth in sales of radio equipment and the possible saturation point.

It is important to keep in mind that the radio industry is still in its infancy. We would therefore advise the purchasers of radio securities to exercise caution and to limit their commitments to such companies as are firmly established and well managed. As a guide to the individual investor who is considering the purchase of radio stocks, we have prepared an up-to-the-minute brief analysis of the more important radio companies whose stocks are now traded on either the New York Stock Exchange or New York Curb Market.

Send for Circular M-260

H. S. Edwards & Co.

INVESTMENT SECURITIES

Union Bank Building, Pittsburgh, Pa.

Features distinguishing the investment trusts organized in this country from those functioning in Great Britain are worth noting: First our own investment trusts are comparatively new, the first large one having been organized within the last five years, whereas some of the larger British trusts have histories stretching back over half a century. Secondly, the investment trusts of Britain, in large measure, seem to have functioned as a means of extending the strength and resources and interests of the Empire abroad—in which function they enjoyed the recognized protection afforded by Britain to its nationals, wherever they might be; our investment trusts, on the other hand, are characteristically American in their insularity. Such foreign bonds as they may purchase are referred to but in passing—perhaps even a little bit hesitatingly. Their chief and, in a measure, their sole field is the field of domestic industry. Are the earning powers of our investment trusts, under these circumstances, as great? Only time will tell.

A third point of difference is not common to all American investment trusts. Some of them follow the system of permitting "substitutions" in their investment holdings — changes, that is, from one holding to another—while others of them hold that such substitutions are a step towards speculation, and therefore to be avoided. Again, time and human experience must be the arbiters to decide which method is the right method.

With these points of doubt in mind, the Investment Trust idea may still be endorsed as one of the biggest strides forward taken in this country toward putting diversification within the reach of the small investor. For, obviously enough, the securities of an investment trust, available at a few dollars apiece, may and generally do represent a part interest in, literally, hundreds of different securities.

Are more examples needed of media through which one's risk may be diversified? Examine the broad and expansive list of Collateral Trust corporation bonds which are now being dealt in in the open market. A good example in this field are the Collateral Trust 5s of the American Water Works & Electric Corporation—for some time carried, by the way, in the Recommendations Table of the Building Your Future Income Department. These bonds are secured by deposit of securities of no less than twenty-five subsidiaries of the American Water Works & Electric Corporation, including bonds, preferred stocks and common stocks. Thus, they have behind them a group of water, electric and other companies which, brought together, have permitted the development of one of the most successful utility combinations of recent times. Incidentally, the collateral securing them has risen greatly in value in the last three years (during which time the stock of the parent company had its sensational rise on the exchange

THE OPPORTUNITY EXCHANGE

IDEAS – SERVICE – COMMODITIES

A Clearing House For Business Men

MEN – AGENTS – BUSINESS OPPORTUNITIES

Printing

LITHOGRAPHED LETTERHEADS

For $1.25 PER THOUSAND

COMPLETE

THIS exceptionally low price applies to lots of 25,000 lithographed in black on our White Paramount Bond, 20 lb. basis. On billheads, statements, note heads and half size letterheads, size 5½" x 8½" our price is 90c. per thousand. If you have no engraving we will furnish one at actual cost. This charge is made on your first order only. Booklet of engravings and prices, also samples of our work will be sent you on request.

Envelopes Lithographed to Match $2.00 per Thousand

GEO. MORRISON CO.
422-430 East 53rd St. New York City
TELEPHONES PLAza 1874-1875
Established 1898 Incorporated 1905

5,000 Hammermill Bond Letterheads, $14.00; 10,000 — $24.00; 25,000 — $56.50; 50,000 — $108.00; 100,000—$213.00. 8½x11 20 lb. Envelopes to match, same price. William W. Webb, Salisbury, Md.

Dividends

COLUMBIA GAS & ELECTRIC COMPANY

The Board of Directors has this day declared the regular quarterly dividend of $1.75 per share on the Cumulative 7% Preferred Stock, Series A, and the regular quarterly dividend of 65 cents per share on the no par value shares of Common Stock, both dividends payable February 16, 1925, to shareholders of record at the close of business January 31, 1925.

EDWARD REYNOLDS, Jr., Treasurer.
January 20, 1925.

THE WEST PENN COMPANY
New York, N. Y., January 21, 1925.

The Board of Directors of The West Penn Company has declared quarterly dividend of one and three-fourths (1¾%) per cent, for the quarter ending February 15, 1925, payable upon the 7% Cumulative Preferred Stock of the Company on February 16, 1925, to stockholders of record at the close of business on February 2, 1925.

C. C. McBRIDE, Treasurer.

THE NATIONAL SUPPLY COMPANY OF DELAWARE

A quarterly dividend of one and one-half per cent (75 cents per share) on the Common stock of The National Supply Company of Delaware has been declared payable February 10th, 1925, to Common stockholders of record at close of business February 5th, 1925.

J. H. BARR, Chairman.

REPUBLIC IRON & STEEL COMPANY
PREFERRED DIVIDEND NO. 82

At a meeting of the Board of Directors of the Republic Iron & Steel Company, the regular quarterly dividend of 1¾% on the Preferred Stock was declared payable April 1st, 1925, to stockholders of record March 9th, 1925.

RICHARD JONES, JR., Secretary.

Business Opportunities

Office Equipment

We buy and sell Addressograph, Graphotype, Mimeograph and Multigraph machines, cabinets, drawers and frames. Let us install a complete outfit for you at a 35% saving. All equipment guaranteed to be in perfect condition and will be kept in repair for one year free.

Certified Office Appliance & Equipment Co.
38 Park Pl. New York 37 Barclay St.
Tel. Whitehall 0321 C. Staudt, Mgr.

INVESTORS

Why not invest part of your capital in new or going businesses where you can obtain official connection and reap the benefits? You can be either an active or inactive associate and grow with the business. The small business of today will be the big business of tomorrow. We are in position to furnish interests in many lines of industry.

PERSONAL FINANCE & SERVICE EXCHANGE, Inc
141 Broadway, New York

CORPORATION FINANCING

A responcible New York firm is in a position to secure capi'al for industrial companies seeking to expand their business. We also specialize in reorganizations and financial management. Submit details to receive immediate attention. Box 42, The Magazine of Wall Street, 42 Broadway, New York.

Trading Accounts

in Grain, Provisions, Cotton, Sugar, and Coffee operated by an experienced Trader for customers desiring efficient personal service. Cyrus A. Smale, Box 315, Washington, D. C.

U.S. STEEL (1918-24)

Daily Graphic Chart showing high, low and volume of sale each day, for seven (7) complete years and up to date.. Range of prices 125⅝-70¾. Special Price $12.50. Write for list of charts on Stocks, Cotton and Grain.

SCIENTIFIC CHART PUBLISHERS
91 Wall Street, New York City

Dividends

Remington Typewriter Company
Second Preferred Dividend No. 67

New York, January 13, 1925.

The Board of Directors has this day declared a dividend of $2.00 per share on the Second Preferred stock, payable February 20, 1925, to stockholders of record February 10, 1925.

HAROLD E. SMITH, *Secretary.*

UNITED STATES REALTY AND IMPROVEMENT COMPANY
111 Broadway, New York

The Directors of this Company declared today a dividend of (1¾%) one and three-quarters per cent on the Preferred Stock, payable on May 1, 1925, to holders of record at the close of business on March 5, 1925, and a dividend of two per cent (2%) on the Common Stock, payable on March 16, 1925, to holders of record at the close of business on March 5, 1925.

ALBERT E. HADLOCK, Treasurer.
New York, January 15, 1925.

Business Opportunities

Factory For Sale

At a price almost as low as a few years' rental, consisting of three substantial brick buildings, U-shaped, with center court on the corner of two streets and containing about 50,000 square feet, is suitable for almost any line of manufacture or storage, now being used as a woodworking plant. Is adjoining Railroad Yards close to wharves and docks, within ten minutes of center of City on trolley line. Price $80,000.00 in fee simple. Will assist financing.

For particulars address
JOHN B. BERGER
2 EAST LEXINGTON STREET
BALTIMORE, MD.

8% Real Estate Bonds and Mortgages in Albuquerque, a new industrial City of the Southwest. Write for descriptive circular.

Superior Building & Mortgage Co.
Albuquerque New Mexico

SALES PROMOTER to organize and sell manufacturing rights for new electrical advertising machine, outdoor and indoor types. Big opportunity. Box 48, The Magazine of Wall Street, 42 Broadway, New York City.

Capital Secured. Corporations organized and financed. Blanchet & Company, 347 5th Ave., New York.

Books for Sale

Just Off the Press

How To Make Money in Wall Street
By L. C. OGG

A book you cannot afford to be without. Not only tells what to do to make money but also what not to do. Bound in imitation leather with gold edges. Price postpaid $2.00.

R. T. MERTZ
Greenville Pennsylvania

Mailing Lists

INVESTORS

Can furnish Stock, Bond and Mortgage Buyers in 1,000 companies. Ask for price list showing each and amounts in detail.

A. F. WILLIAMS
166 W. Adams St. Chicago

PATENTS

Safety Razor Patent No. 1508485 For Sale or on royalty; uses special double-edge blade. C. M. Szirmay, 462 W. 20th St., New York.

Charters

DELAWARE incorporator; charters; fees small; forms. Chas. G. Guyer, 901 Orange St., Wilmington, Del.

from around $6 per share to the equivalent of over $200 per share), while the interest requirements on the bonds were covered nearly 6 times in the last accounting year (1923).

Nor must we forget the point brought out by M. Whitney Lee in the Christmas Number of this Magazine in which Mr. Lee made it plain that, everything considered, it would be difficult to find a higher type of security in the broad investment-trust field than the stock of the long-established Fire Insurance Company. It is not necessary to rehearse here the reasons brought out by that writer, but they were cogent, to the point and convincing.

(Editor's Note: We do not realize how many distinct types of investment there are, each one having an appeal all its own, until we begin to itemize and describe them. Numerous other media have still to be covered by Mr. Rushmore, including investment types that answer these questions:

How to Obtain Assured Legal Equity?

The Ideal "Speculative" Security.

Getting Yields and Safety, Regardless of Marketability.

Avoiding Tax Complications.

How to Insure Availability of Invested Funds?

Buying Into Specific Industries and What It Implies.

What Older People Should Buy?

Investments that Fit Every Pocketbook.

Procuring Preference as to Assets and Earning Powers.

How to Get a Share in Growing Assets and Earning Powers.

These additional types of investment media will be covered in a later issue.)

THE CHESAPEAKE & OHIO MUDDLE

Since the announcement of the gigantic Van Sweringen merger, holders of C. & O. have expressed themselves as being dissatisfied with the arrangements. A detailed analysis of the situation is given by a close student of recent developments. This article should be especially valuable to holders of any of the securities affected by the Van Sweringen merger.

This stock having all been sold, this advertisement appears as a matter of record only.

40,000 Shares

STANDARD PUBLISHING COMPANY

Chicago - New York - Paris

6% - Cumulative - Participating - Non-Callable

CLASS "A" STOCK

Dividends payable on the twentieth day of January, April, July and October

Dividends not subject to present Normal Federal Income Tax

TRANSFER AGENT
The Corporation Trust Company, New York

REGISTRAR
The Metropolitan Trust Company, New York

After Class "A" Stock has received dividends of $1.50 per share (cumulative) and the Class "B" Stock has received dividends of not exceeding 25c per share (non-cumulative) in any year, any additional surplus or net profits available for dividends are to be distributed (75% to Class "A" Shares as a Class, and 25% to Class "B" Shares as a Class).

Class "A" Stock has priority in liquidation or dissolution over Class "B" Stock up to $30.00 per share and the amount of all unpaid cumulative dividends thereon. After this preferential payment to Class "A" Stock is provided for and provision has been made for the distribution to the Class "B" Stock of $7.50 per share, 75% of the remaining assets shall be distributed to the holders of the Class "A" Stock and 25% among the holders of the Class "B" Stock.

The Company further agrees it will not authorize or issue any shares on a parity with or having priority over the 6%—Cumulative—Participating Class "A" Stock, without the consent of not less than 75% of each class of Stock.

PUBLICATIONS:

Modes & Manners Magazine
Successful Store Promotion Service
Breath of the Avenue Service
Standard Department Store Service
Standard Women's Wear Service
Standard Millinery Service
Standard Shoe Service
Standard Furniture Service
Standard Boy's Wear Service
Standard Men's Furnishing Service
Standard Men's Clothing Service
Sterling Department Store Service
Sterling Women's Wear Service
Sterling Men's Wear Service
Retail Review Service
Art Feature Service

Mr. Vern C. Divine, President of the Company, summarizes his letter to Bankers as follows:

Business History Growth: The Standard Publishing Company, and its subsidiary, The Standard Corporation, with their head offices and plant in Chicago and branch editorial offices in New York and Paris, are engaged in the business of illustrating, engraving, printing and publishing. The business was established in November, 1917, with the publication of a single syndicated illustrating and advertising service for department stores.

The organization is the largest of its kind in the Country. It produces in its own offices, studios and plants, through a highly efficient staff of editors, fashion experts, department store specialists, artists and advertising writers, sixteen complete copyrighted publications that embrace practically every phase of retail store promotion, including aids to better and more successful advertising, selling and organization.

Modes & Manners Magazine, the sixteenth publication, is produced for eight of the leading department stores of the United States, located in Boston, Philadelphia, Pittsburgh, Cincinnati, Toledo, St. Louis, Los Angeles and San Francisco. It has a national circulation among readers who are the preferred customers of these stores. National advertising to such an audience is highly profitable and the volume of lineage already secured indicates substantial earnings for the Magazine Division.

The basic idea of the business is syndication of its products. By the syndicate methods of production and distribution, our customers and clients in different localities get exclusive franchise rights for our Publications which are of a character they could not otherwise obtain, because the cost of production of the same to a single merchant would be prohibitive in a great majority of cases.

Its clientele is composed of the leading department and retail stores in the United States and Canada. Credit risk is therefore reduced to the minimum. During the seven years of operation the credit losses have been less than 1%; the number of publications have increased from one to a total of sixteen; the number of contracts in force has steadily mounted until there are over 4,000; sales have shown a steady growth and profits have increased substantially.

Earnings: The business has for seven years at all times earned more than twice its annual dividend requirements. With the contracts now on the books and in the process of closing, the management conservatively estimates that the net earnings for the year 1925 will approximate $600,000, or over twice the dividend requirements of the oustanding Class "A" Stock at the completion of this financing.

Purpose of Issue: The purpose of the present financing is to provide the business with the necessary capital for the profitable expansion of the magazine division, illustrative service division, printing and engraving departments and for other corporate purposes.

D vidend Record: The business earned and paid dividends in its first year of operation and its dividend record has never since been interrupted. It is the policy of the management to pay reasonable cash dividends, letting the surplus earnings accumulate to permit substantial stock dividends. As a result of this policy the business has earned and paid, in addition to the cash dividends, stock dividends averaging 38% annually for the past seven years. $1,000 invested in this business in 1918 now has a market value of $4,800. It can be reasonably expected that the above outlined policy will be continued in the future.

Management: The management of the Company is in the hands of those who organized it and are responsible for its success. All officers and directors are active in the operation of the business.

Capitaliza'ion: (Upon completion of the present financing and exchange of the outstanding capital stock of The Standard Corporation for capital stock of the Standard Publishing Company)

	Authorized	Outstanding
Class "A" 6%—Cumulative—Participating Shares Par Value $25.00 each	400,000	171,356
Class "B" Shares (No Par Value)	125,000	100,000

Conclusion: The business is in a most enviable position to develop its magazine division, expand its illustrated service division and enlarge its mechanical department which should make for additional substantial profits. Seven years of steady growth and constantly greater earnings have proved conclusively that the business is fundamentally sound and a permanently aggressive and profitable enterprise. The future should hold forth for the stockholders even greater returns than the past.

All legal details in connection with the issuance of this Stock have been passed upon by Messrs. Mayer, Meyer, Austrian, & Platt, Chicago. The books and accounts have been audited by Messrs. A. Norman Young & Co., Certified Public Accountants, Chicago.

This Stock is now listed on the New York Curb Market. It is the Company's intention to make application in due course to list this Stock on the New York and Chicago Stock Exchanges.

This Stock is offered when and as issued and accepted by us and subject to approval of counsel and prior sale.

Price $26.00 Per Share

Chas. H. Jones & Co.

20 Broad Street New York

The statements herein are not guaranteed, but are based upon information which we believe to be reliable.

Subscriptions having been received in excess of the amount of Stock offered, this advertisement appears as a matter of record only.

New Offering

150,000 Shares

Music Master Corporation

(A Delaware Corporation)

Capital Stock—Without Par Value

Transfer Agent	*Registrar*
The Mechanics & Metals National Bank New York	Central Union Trust Company New York

CAPITALIZATION

Authorized	500,000 shares
To be presently outstanding	450,000 shares

NO BONDS OR PREFERRED STOCK AUTHORIZED

Mr. Walter L. Eckhardt, President of the Corporation, has summarized his letter to the Bankers as follows;

HISTORY AND BUSINESS The Music Master Corporation, organized in 1922 with a nominal capital, is today the largest merchandising organization in the United States, distributing exclusively radio products, consisting of radio receiving sets such as Super Heterodyne Radiola, Thermiodyne, Zenith and other well-known makes; also loud speakers, tubes, parts and accessories.

The Corporation has expended large sums in national advertising and has planned to appropriate at least One Million Dollars for this purpose in 1925.

In addition to its general distribution of high grade radio products, the Music Master Corporation manufactures the Music Master Loud Speaker, which is probably the best known reproducer on the market today. The Corporation has developed a number of new and important articles which will shortly be introduced to the trade.

PLANT A plant at Betzwood, near Philadelphia, Pa., consists of thirty acres with modern daylight factory and other buildings thereon, having all facilities for manufacturing and especially suitable as headquarters for the general distribution of the Corporation's products.

The main offices are located in Philadelphia with branches in New York, Pittsburgh and Chicago. It is proposed to open immediately sixteen additional branches throughout the United States to enable us to maintain close contact with the two hundred wholesale distributors affiliated with this corporation.

SALES From sales in 1922 of $191,795.65 the Corporation's activities have grown so rapidly that the sales in 1924 aggregated $3,687,947.

MANAGEMENT The same personnel, which has been responsible for this successful growth of the Corporation, will continue to direct it, and, with the new interests now allied with the management, we believe that this Corporation will be the leader in the industry.

The directors of the Corporation will be as follows: Matthew C. Brush, Samuel F. Pryor, E. R. Harriman, William T. Smith, J. W. Guibord, Morris Wolf, Herbert D. Williams, Jules E. Mastbaum, Anthony G. Felix, J. H. Cross, Leo Potter, H. Allan Miller, T. Harvey Ferris, Harry A. Arthur, J. Harker Chadwick, W. B. Woodbury, W. L. Eckhardt.

Legal details in connection with this issue will be passed upon for the Bankers by Messrs. Beekman, Bogue, Clark & Griscom, New York; and for the Corporation by Messrs. Wolf, Patterson, Block & Schorr, Philadelphia, and this stock is offered for subscription, (subject to allotment) when, as and if issued and received by us, subject to the approval of counsel. Accounts have been audited by Price, Waterhouse & Co. Delivery may be made in either Temporary Certificates or Interim Receipts, exchangeable later for definite Engraved Certificates.

Application will be made by the Corporation to list this stock on the New York Curb Market

THIS STOCK IS OFFERED AS A SPECULATION

Price $20 per Share

H. D. Williams & Co.

Members New York Stock Exchange

120 Broadway **New York**

The statements contained herein, while not guaranteed, are based upon information which we believe accurate and reliable.